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prepared for:

Beaver County Employees' Retirement System

Performance Review Second Quarter 2007

Executive Summary

Market Index Performance

For periods ending June 30, 2007

	Current Quarter	*YTD*	*1 Year*	*2 Year*	*3 Year*	*5 Year*	*10 Year*
DOMESTIC EQUITY							
RUSSELL 1000 VALUE	4.93%	6.24%	21.85%	16.86%	15.92%	13.31%	9.86%
S&P 500	6.28%	6.96%	20.59%	14.45%	11.68%	10.71%	7.13%
RUSSELL 1000 GROWTH	6.86%	8.13%	19.06%	12.41%	8.71%	9.28%	4.39%
RUSSELL MIDCAP VALUE	3.65%	8.68%	22.07%	18.11%	19.32%	17.17%	13.06%
RUSSELL MIDCAP GROWTH	6.75%	10.97%	19.72%	16.33%	14.48%	15.45%	8.66%
RUSSELL 2500	4.95%	8.68%	18.73%	16.10%	14.97%	15.29%	11.00%
RUSSELL 2000 VALUE	2.31%	3.81%	16.06%	15.33%	15.02%	14.62%	12.13%
RUSSELL 2000	4.43%	6.46%	16.44%	15.50%	13.44%	13.88%	9.06%
RUSSELL 2000 GROWTH	6.69%	9.32%	16.82%	15.69%	11.76%	13.07%	5.28%
RUSSELL 3000	5.76%	7.10%	20.08%	14.70%	12.44%	11.53%	7.62%
INTERNATIONAL EQUITY							
MSCI EAFE AFTER TAXES	6.40%	10.74%	27.00%	26.78%	22.24%	17.73%	7.67%
MSCI AC WORLD NET	7.23%	9.88%	25.24%	21.58%	18.00%	14.04%	4.92%
MSCI EMERGING MARKETS FREE	14.96%	17.55%	44.99%	40.15%	38.23%	30.28%	9.24%
REAL ESTATE							
NAREIT EQUITY	-9.04%	-5.90%	12.55%	15.75%	21.13%	18.62%	13.15%
NCREIF PROPERTY	4.59%	8.38%	17.24%	17.95%	17.98%	14.39%	13.01%
DOMESTIC FIXED INCOME							
LEHMAN BROS. AGGREGATE	-0.52%	0.97%	6.11%	2.59%	3.98%	4.48%	6.01%
LB GOVT/CREDIT	-0.48%	0.98%	6.02%	2.18%	3.84%	4.70%	6.07%
LB GOVT/CREDIT INTERMEDIATE	-0.14%	1.45%	5.76%	2.74%	3.42%	4.14%	5.66%
ML 1-3YR TREASURY	0.71%	2.13%	5.08%	3.44%	2.91%	2.77%	4.61%
LEHMAN BROS. HIGH YIELD	0.22%	2.88%	11.56%	8.13%	9.04%	11.92%	6.30%
CASH EQUIVALENTS							
90 DAY U.S. T-BILLS	1.28%	2.54%	5.20%	4.59%	3.77%	2.76%	3.79%

Beaver County Employees' Retirement Fund

Total Fund Performance Summary

For periods ending June 30, 2007

Total Fund Market Value($)

$193,868,468

Total Fund Performance ($)

Trailing Period	*Return on Investment*
Quarter	$7,351,000
Year-to-date	$9,658,000
1 Year	$26,495,000

Total Fund Performance (%)

Trailing Period	*Total Fund*	*Target Policy*	*Difference*	*Universe Ranking***
Quarter	3.93%	3.59%	0.34%	51
Year-to-date	5.23%	5.34%	-0.11%	80
1 Year	15.86%	15.62%	0.24%	67
3 Year	9.94%	9.43%	0.51%	79
5 Year	9.21%	9.18%	0.03%	83

** 1 is highest, 100 lowest

Total Fund Performance Guide

Target Policy (Effective Date: March 2007)

19.5% Russell 3000	2.0% S&P 600	19.5% Lehman Brothers Aggregate
7.5% Russell 1000 Value	8.0% MSCI EAFE	15.5% Lehman Government/Credit
22.0% S&P 500	6.0% NCREIF Property	

Universe Type	*Market Value ($)*	*Observations (#)*
Public	$679.8 Billion	166

Beaver County Employees' Retirement Fund

Asset Class/Manager Performance Summary

For periods ending June 30, 2007

	Current Quarter	*YTD*	*1 Year*	*2 Year*	*3 Year*	*5 Year*
TOTAL FUND	**3.93%**	**5.23%**	**15.86%**	**11.25%**	**9.94%**	**9.21%**
TOTAL DOMESTIC EQUITY *(Equity Only)*	**6.70%**	**7.67%**	**21.16%**	**15.75%**	**13.25%**	**11.57%**
C.S. MCKEE & COMPANY	8.01%	9.11%	21.87%	16.31%	15.30%	14.44%
*RUSSELL 3000 **	*5.76%*	*7.10%*	*20.08%*	*14.70%*	*12.44%*	*11.30%*
MDL CAPITAL MANAGEMENT	6.56%	8.45%	21.80%	N/A	N/A	N/A
RUSSELL 1000 VALUE	*4.93%*	*6.24%*	*21.85%*	*16.86%*	*15.92%*	*13.31%*
CIM INVESTMENT MANAGEMENT	5.61%	6.20%	20.44%	15.19%	11.69%	10.33%
*92% S&P 500/ 8% S&P 600 BLEND ***	*6.19%*	*7.09%*	*20.23%*	*14.51%*	*11.92%*	*11.05%*
TOTAL INTERNATIONAL EQUITY *(Equity Only)*	**6.98%**	**10.13%**	**28.83%**	**N/A**	**N/A**	**N/A**
BOSTON COMPANY	6.98%	10.13%	28.83%	N/A	N/A	N/A
MSCI EAFE	*6.40%*	*10.74%*	*27.00%*	*26.78%*	*22.24%*	*17.73%*
TOTAL REAL ESTATE *(Real Estate Only)*	**0.86%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
ERECT FUNDS	0.95%	N/A	N/A	N/A	N/A	N/A
NCREIF PROPERTY	*4.59%*	*8.38%*	*17.24%*	*17.95%*	*17.98%*	*14.39%*
TOTAL DOMESTIC FIXED INCOME *(Bond Only)*	**-0.66%**	**0.78%**	**5.81%**	**2.48%**	**3.63%**	**3.74%**
CIM INVESTMENT MANAGEMENT	-0.61%	0.95%	6.05%	2.16%	3.63%	3.64%
LEHMAN BROS. GOV'T CREDIT	*-0.48%*	*0.98%*	*6.02%*	*2.18%*	*3.84%*	*4.70%*
C.S. MCKEE & COMPANY	-0.69%	0.74%	5.93%	3.07%	4.63%	5.29%
MDL CAPITAL MANAGEMENT	-0.55%	0.57%	5.28%	2.28%	3.02%	3.07%
LEHMAN BROS. AGGREGATE	*-0.52%*	*0.97%*	*6.11%*	*2.59%*	*3.98%*	*4.48%*

* Index changed 4th quarter '02 to reflect small cap allocation and 1st quarter '04 from Russell 3000 Value to Russell 3000.

** Index changed 4th quarter '02 to reflect small cap allocation.

Beaver County Employees' Retirement Fund

Asset Allocation Targets

For periods ending June 30, 2007

Asset Class	*Target*	*Min.-Max. Range*	*Current Weight 06/30/07*	*Within Target Range?*
Domestic Equity	51%	41% - 61%	56.7%	Yes
International Equity	8%	3% - 13%	5.7%	Yes
Real Estate	6%	0% - 8%	2.6%	Yes
Fixed Income	35%	25% - 45%	33.1%	Yes
Cash	0%	0% - 10%	1.9%	Yes

Beaver County Employees' Retirement Fund
Investment Policies

For periods ending June 30, 2007

Policies	***Status***	***Explanation***
Individual equity issues not to exceed 5% at market.	In Compliance	Largest holding represents less than 5% of the portfolio's market value.
Overall rating of the fixed income assets are "A" or better.	In Compliance	Fixed income assets consist of government or corporate bonds with an overall rating of "A" or better.
Total portfolio performance should outperform CPI by 6.5% for rolling five-year periods.	Not In Compliance	Due to market conditions, total portfolio return has lagged CPI+ objective for the latest five-year period.
Prohibited transactions must be avoided.	In Compliance	No prohibited transactions have occurred.
Money managers adherence to policy guidelines and objectives.	In Compliance	All money managers adhered to established investment guidelines and objectives.

Observations	***Recommendations***
Overall portfolio return exceeded the blended index for the quarterly period ending 06/30/07.	MDL Capital Management should be placed on probation (Personnel, Since 2Q07).
Overall portfolio return exceeded the blended index for the one-year period ending 06/30/07.	Boston Company International Equity portfolio should be terminated (Personnel, Since 2Q07).
	Fund US Asset Management (Muhlenkamp and Co.) All Cap Core portfolio.

* The Second Quarter GDP (advance) increased by 3.4%. The First Quarter GDP (final) was up 0.6% on an annualized basis.

* The Federal Open Market Committee decided to keep its target for the federal funds rate at 5.25%. Economic growth appears to have been moderate during the first half of this year, despite the ongoing adjustment in the housing sector. The economy seems likely to continue to expand at a moderate pace over coming quarters. In these circumstances, the Committee's predominant policy concern remains the risk that inflation will fail to moderate as expected. Future policy adjustments will depend on the evolution of the outlook for both inflation and economic growth, as implied by incoming information.

* The unemployment rate has been stable at 4.5% for the last five months. It remains to be seen whether this historically low rate is the natural rate of unemployment which prevents an acceleration of inflation.

* The CPI (CPI-U) increased 0.6% in both April and May. The index for energy increased sharply for the third consecutive month -- up 5.4 percent in May.

* The trade deficit (import/export of goods & services) in May increased $1.7 billion from April to $69.0 billion, and the services surplus increased $0.3 billion to $9.0 billion.

*Crude Oil for August delivery declined $.44 to settle at $72.37 a barrel. U.S. gasoline stockpiles in the week ended June 29 were 3.5 percent below the five-year average for the period. It will probably show U.S. refineries increased operations by 0.4 percentage point to 90.4 percent of capacity, according to the survey of analysts. That would be in line with the utilization rate during the same period last year.

* In the second quarter, the euro and the pound strengthened vs. the dollar rising to 1.3520 and 2.0063, respectively. The yen fell 4.7% vs. the dollar, ending the quarter at 123.3901

* Industrial production (Total Index) for the months of March, April and May turned in mixed results. Industrial production was unchanged in May after a downwardly revised increase of 0.4 percent in April. The rate of capacity utilization for total industry fell 0.2 percentage points, to 81.3 percent.

* Inventories at U.S. businesses rose more than forecast in April as sales increased, signaling that companies will probably ramp up orders as demand improves. The value of unsold goods at factories, retailers and wholesalers increased 0.4 percent, the most since September, after being unchanged the prior month. Business sales rose 0.7 percent.

* In the first quarter, productivity (nonfarm business sector/revised) increased 1.0% from third quarter and 1.0% from a year earlier. Unit labor costs in the nonfarm business sector rose 1.8% on an annualized basis.

* June retail sales declined 0.1 percent after a 1.4 percent gain the prior month. Retail sales account for almost half of all consumer spending. Consumer spending is expected to rise at an average 2.6 percent annual rate in the second half of the year, compared with an average 3.7 percent quarterly increase over the last decade. Economic growth may settle into a 2.5 to 3 percent annual rate through the first half of 2008. The economy expanded at a 0.7 percent pace in the first three months of this year.

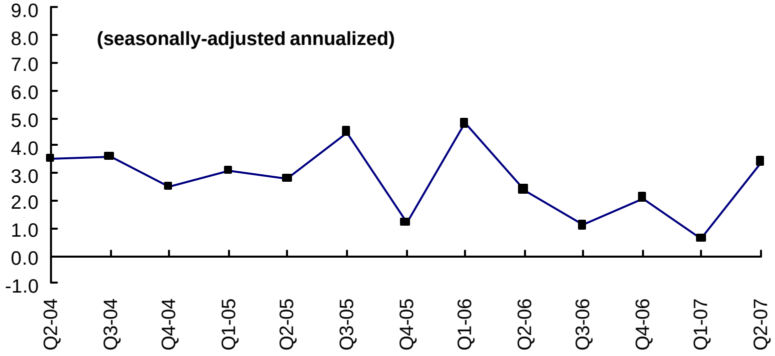
* Purchases of new homes in the U.S. rose for the first time in three months in March as unusually warm weather and incentives brought out more buyers. Sales rose 2.6 percent to an annual pace of 858,000 last month from an 836,000 rate in February that was lower than previously reported. Sales of existing homes, which account for 85 percent of the housing market, tumbled 8.4 percent in March.

* The PMI index (an indicator of manufacturing activity) decreased in March to 50.9, but increased in April and May to 54.7 and 55.0 respectively. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. The Conference Board's Consumer Confidence Index increased in both April and May to 55.

Economy - *For periods ending June 30, 2007*

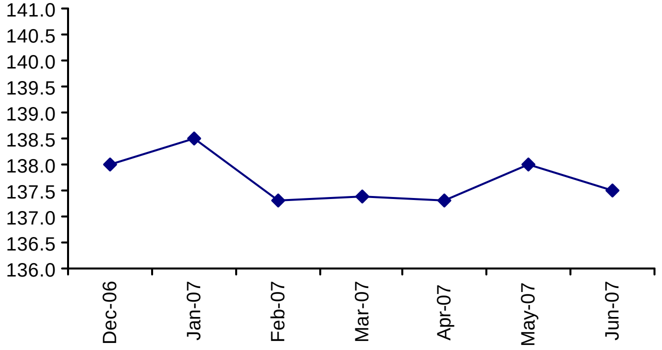
GDP Growth

Advanced second quarter GDP estimates show an increase in the growth rate to an annualized rate of 3.4%



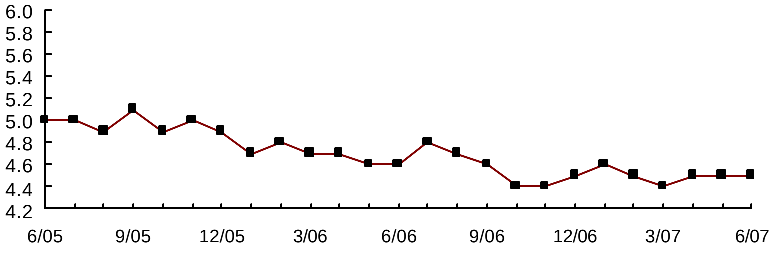
Leading Indicators

The U.S. leading index has decreased by 0.7% in the past 6 months.



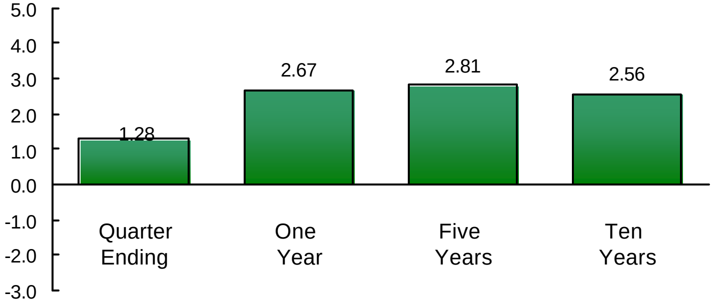
Unemployment

The U.S. Unemployment rate remained at 4.5% through the 2nd quarter.



Inflation

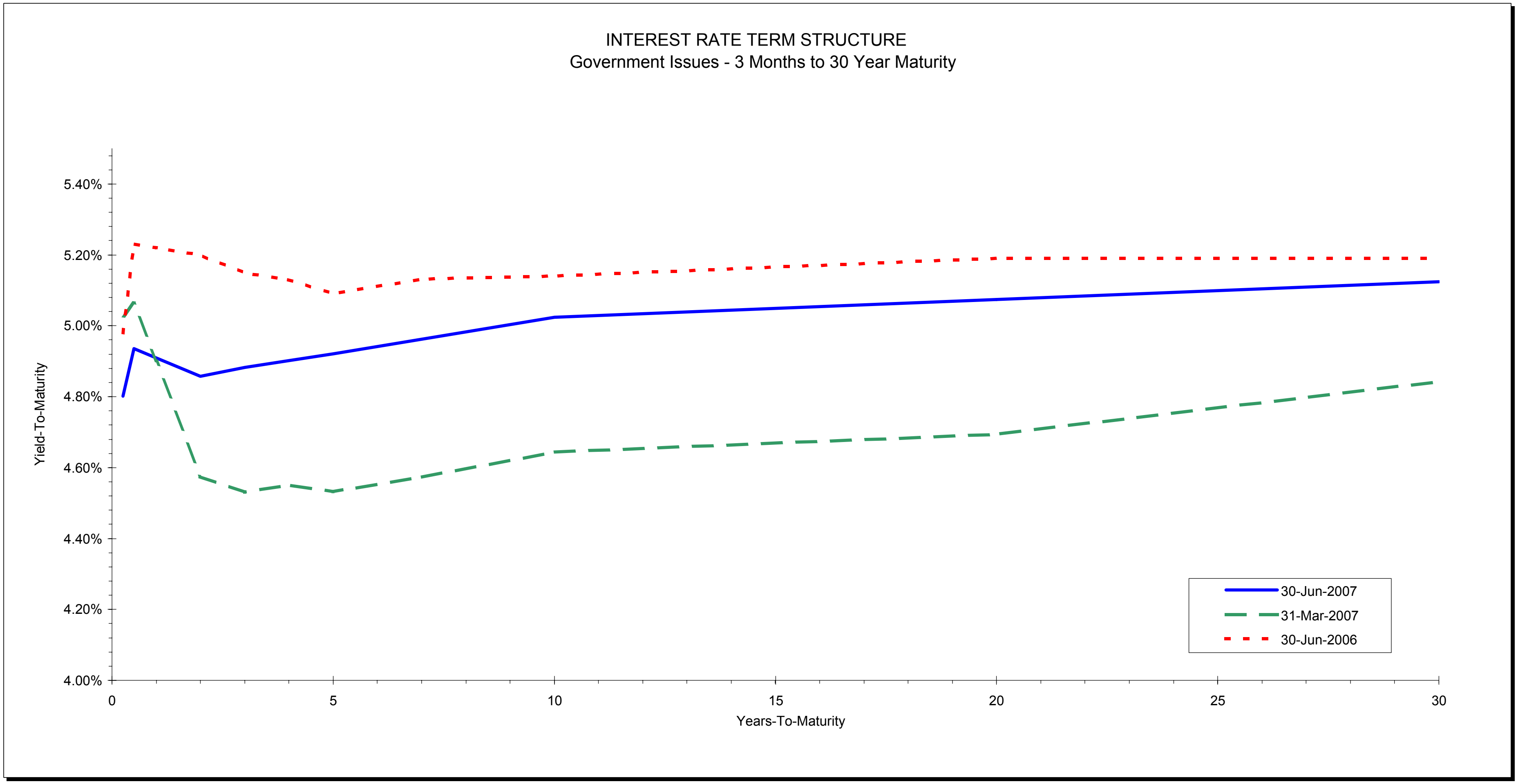
The Consumer Price Index increased to an adjusted annual rate of 2.67% for the year ending June 30th.

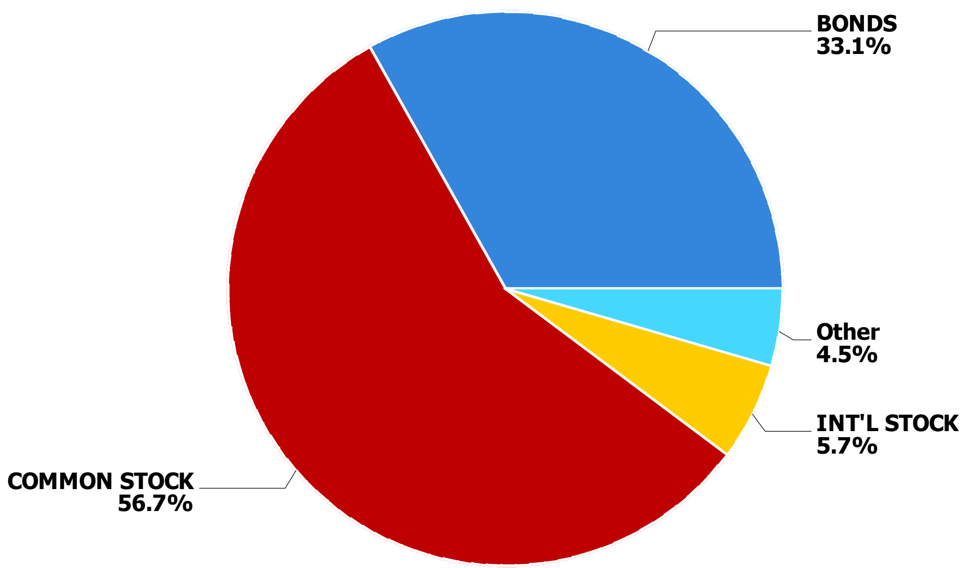


Treasury Yield Curve

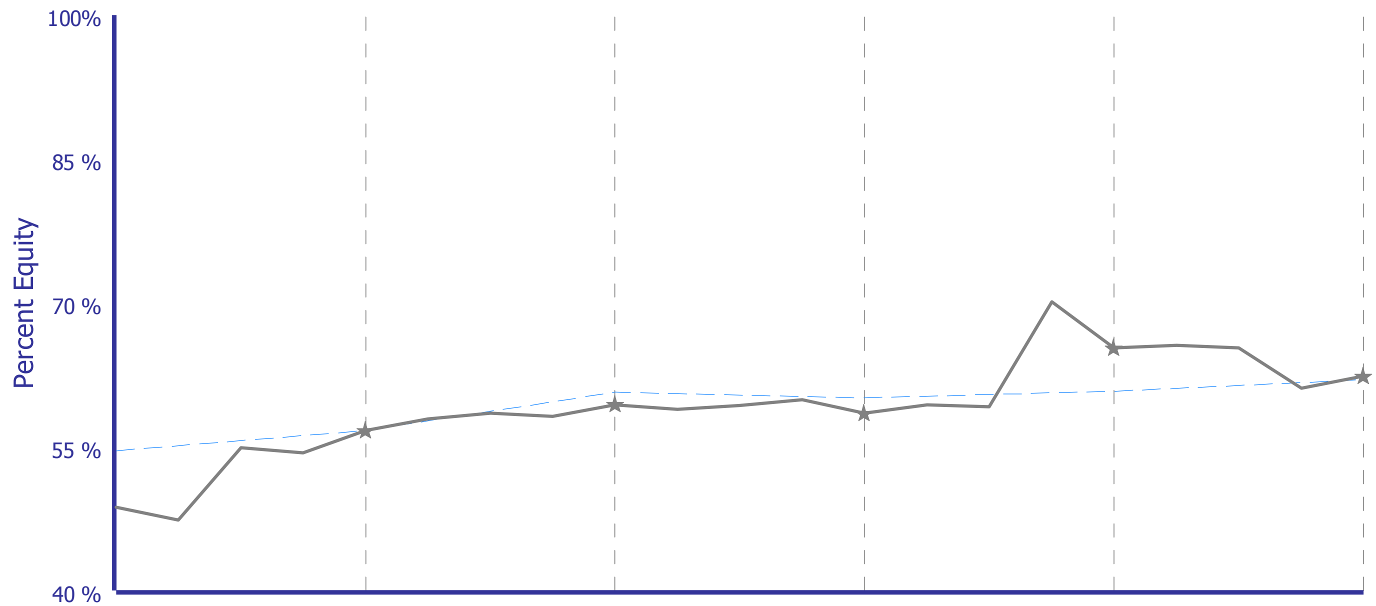
*In the two FOMC meetings this quarter, the Federal Reserve kept rates unchanged. The current yield curve sits above last quarter's yield curve and below the yield curve dated 30 June 2006.

* By the end of the second quarter, the yield curve was shifting back to a normal curve from its inverted state at the end of March. In a normal curve, longer maturity bonds have a higher yield than shorter-term bonds due to the risks associated with time of the curve. At the end of June, the three-month rate was 32 basis points lower than the thirty-year rate.





Asset Class	Market Value	Current%
BONDS	64,144,471	33.1
CASH	-874,376	0.0
COMMON STOCK	109,952,986	56.7
INT'L STOCK	11,098,754	5.7
REAL ESTATE	5,067,312	2.6
TEMPORARY INVST	4,479,321	1.9
Total	**193,868,468**	**100.0**



	6/02		6/03		6/04		6/05		6/06		6/07	
5th	68.1		70.8		72.9		71.2		71.9		73.2	
25th	59.0		62.3		64.8		65.3		65.1		66.1	
Median	54.6		56.7		60.7		60.1		60.8		62.0	
75th	46.4		49.6		55.0		53.8		55.3		53.5	
95th	0.0		23.7		29.9		35.2		38.1		36.2	
★ **TOTAL FUND**	48.7	70	56.7	50	59.4	55	58.5	57	65.3	22	62.4	45

* Includes International Segment

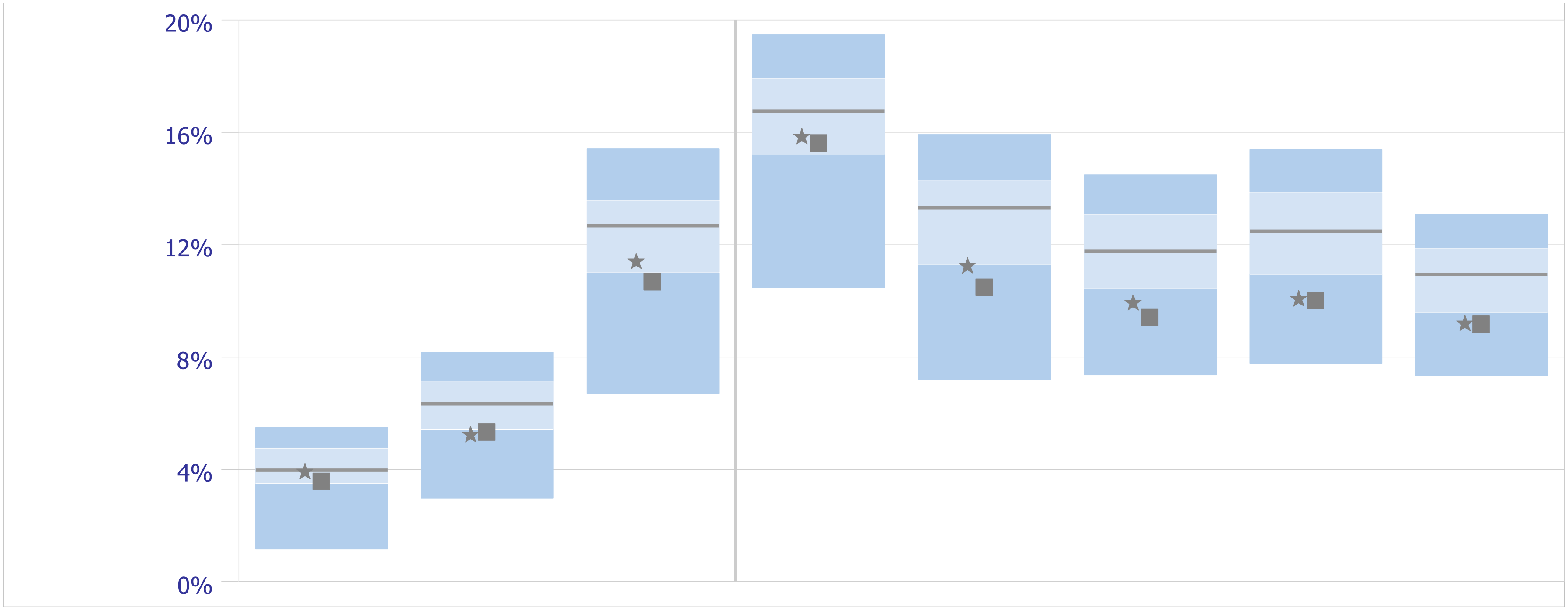
Total Fund Asset Growth Summary ($000)

TOTAL FUND

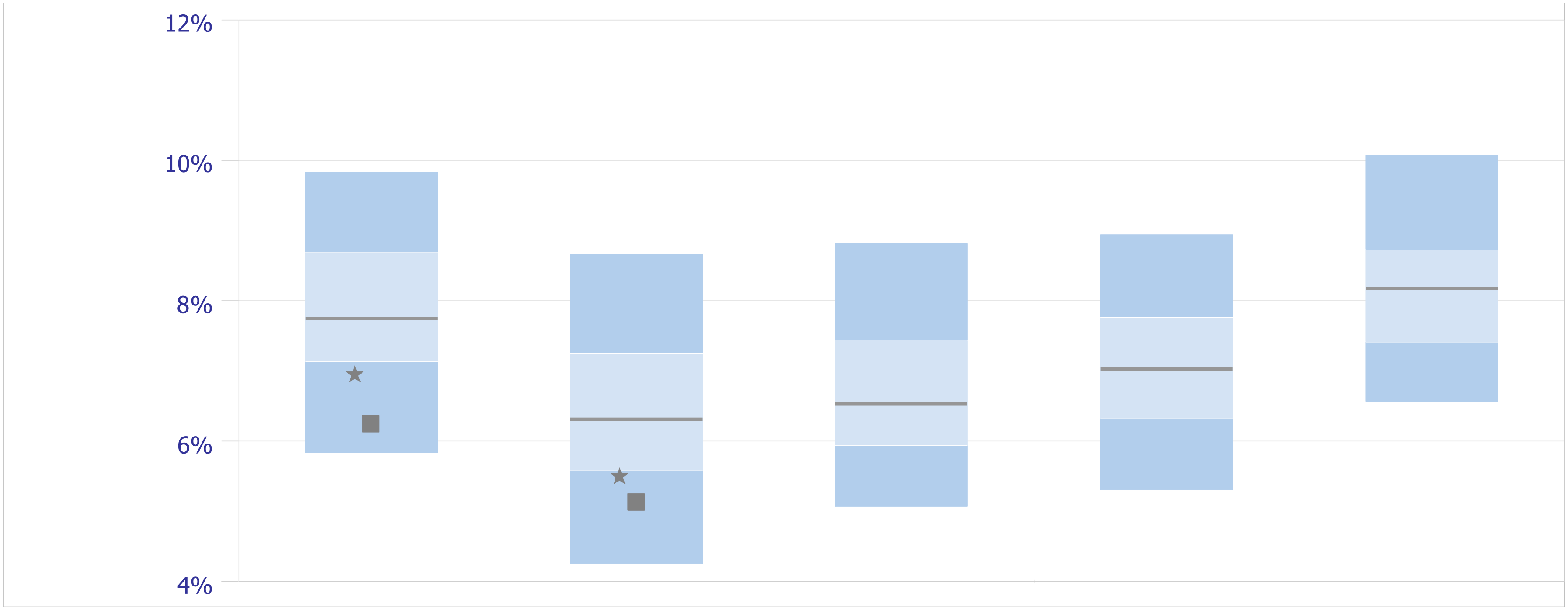
	Last Quarter	Year to Date	Last Twelve Months	Since Inception 09/1999
Beginning Market Value	187,269	184,069	168,067	125,695
Net External Growth	-752	142	-694	-169
Return on Investment	7,351	9,658	26,495	68,343
Ending Market Value	193,868	193,868	193,868	193,868

Portfolio Asset Growth ($000)

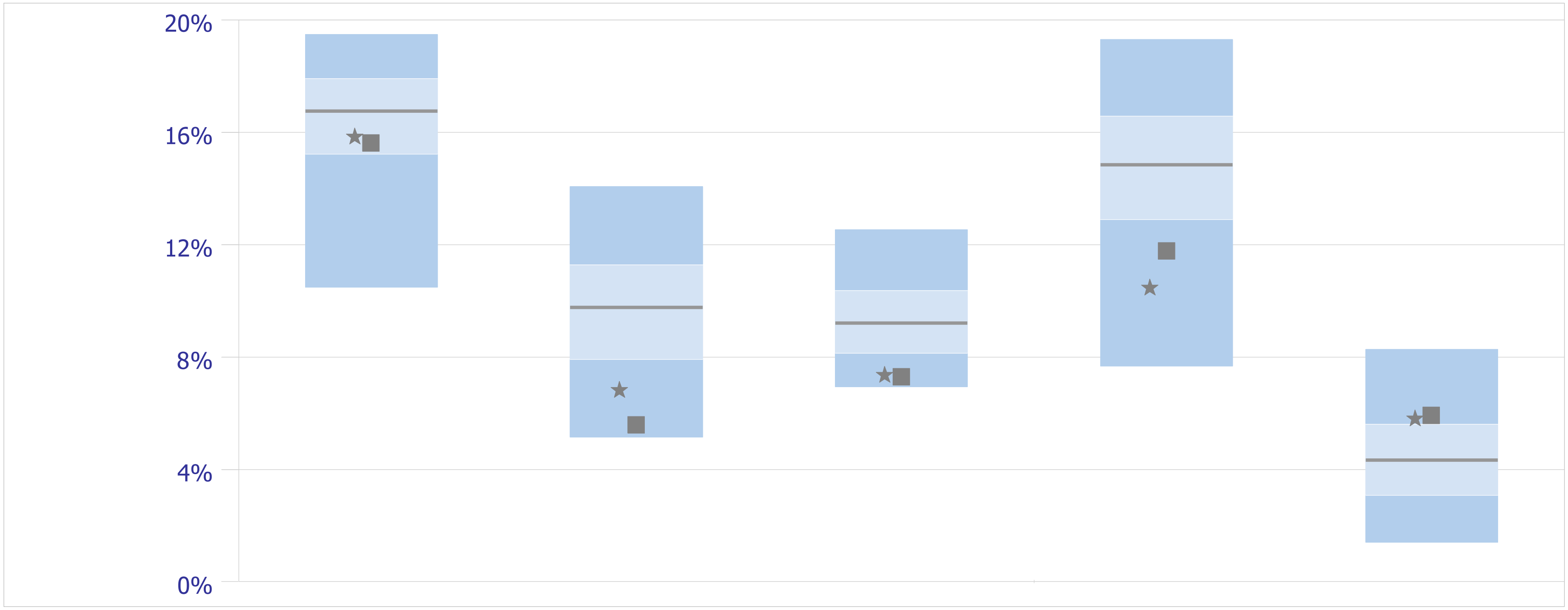
Portfolio	Beginning Value	Net Contribution	Income Received	Gain (Loss)	Ending Value
One Quarter					
TOTAL FUND	187,269	-752	1,420	5,931	193,868
CIM INVEST MGT	78,565	-324	699	1,814	80,754
C. S. MCKEE	63,568	-274	481	2,642	66,416
BOSTON COMPANY	10,375	0	0	724	11,099
MDL CAPITAL	29,738	-153	235	708	30,528
ERECT Funds	5,024	0	4	43	5,072
Year to Date					
TOTAL FUND	184,069	142	2,783	6,875	193,868
CIM INVEST MGT	79,731	-2,246	1,363	1,906	80,754
C. S. MCKEE	64,229	-1,726	862	3,051	66,416
BOSTON COMPANY	10,078	0	0	1,020	11,099
MDL CAPITAL	30,031	-886	552	832	30,528
ERECT Funds	0	5,000	6	65	5,072
One Year					
TOTAL FUND	168,067	-694	5,439	21,056	193,868
CIM INVEST MGT	72,802	-2,609	2,765	7,796	80,754
C. S. MCKEE	58,779	-2,018	1,597	8,059	66,416
BOSTON COMPANY	8,616	0	0	2,483	11,099
MDL CAPITAL	27,871	-1,066	1,071	2,652	30,528
ERECT Funds	0	5,000	6	65	5,072



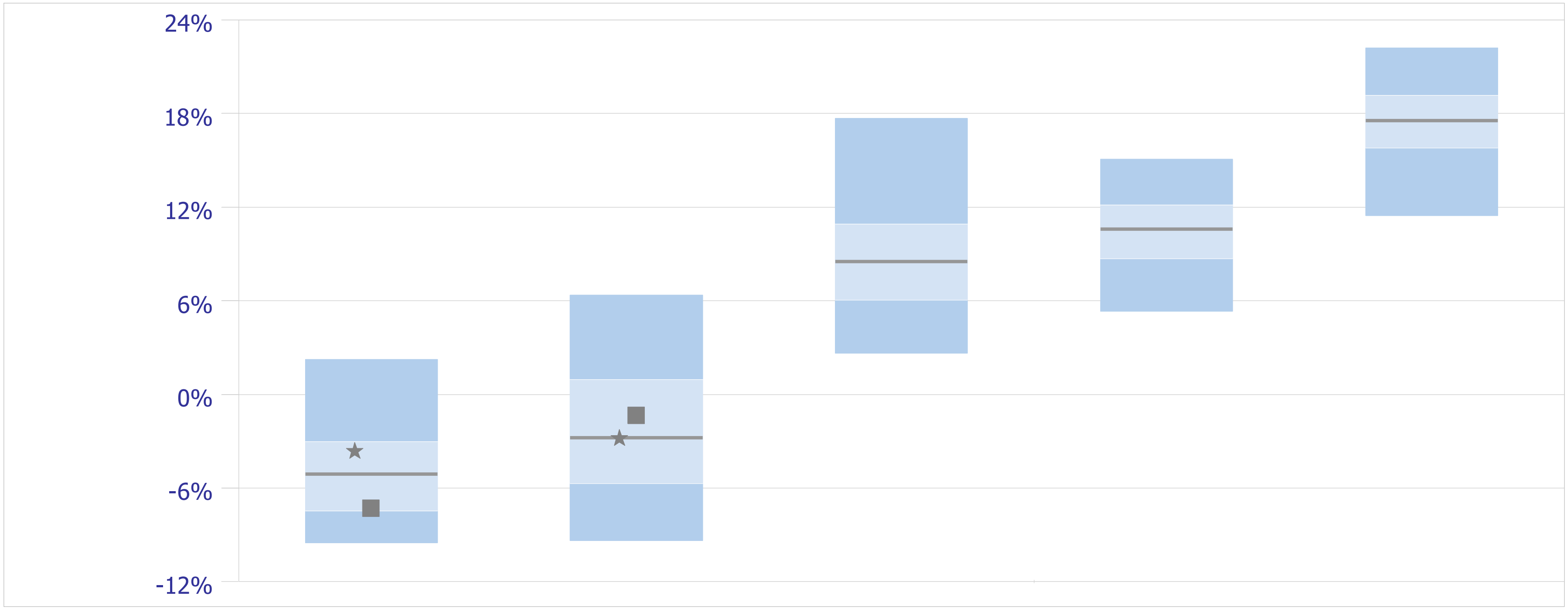
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ **TOTAL FUND**	3.9	51	5.2	80	11.4	72	15.9	67	11.3	75	9.9	79	10.1	83	9.2	83
■ **TARGET POLICY**	3.6	67	5.3	76	10.7	78	15.6	69	10.5	81	9.4	82	10.0	83	9.2	83
Median	4.0		6.3		12.7		16.8		13.3		11.8		12.5		10.9	



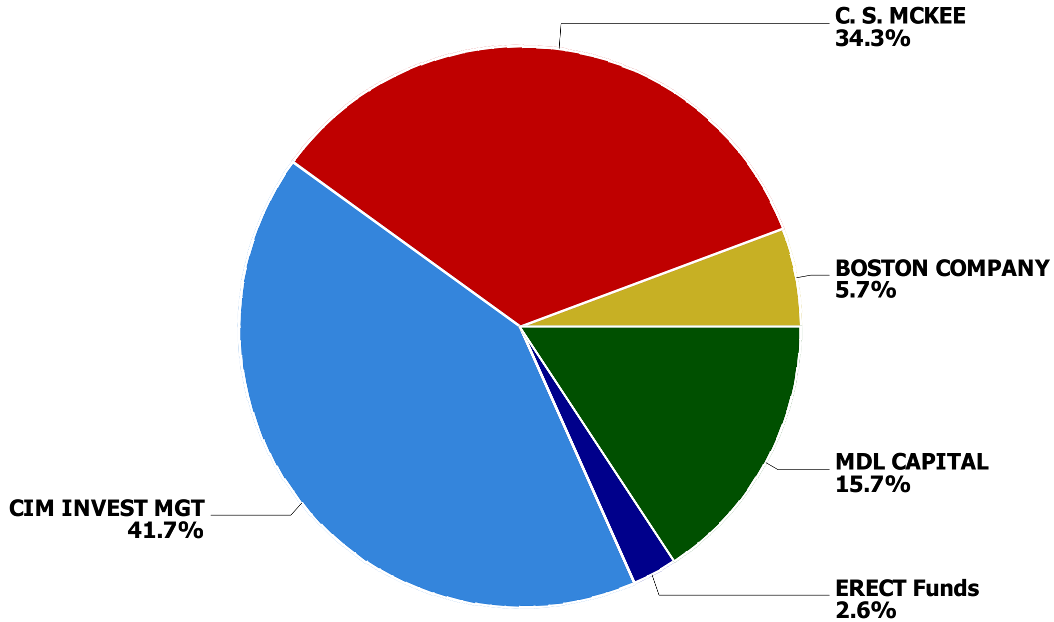
	Six Years		Seven Years		Eight Years	Nine Years	Ten Years
★ TOTAL FUND	7.0	78	5.5	78			
■ TARGET POLICY	6.3	87	5.1	84			
Median	7.8		6.3		6.5	7.0	8.2



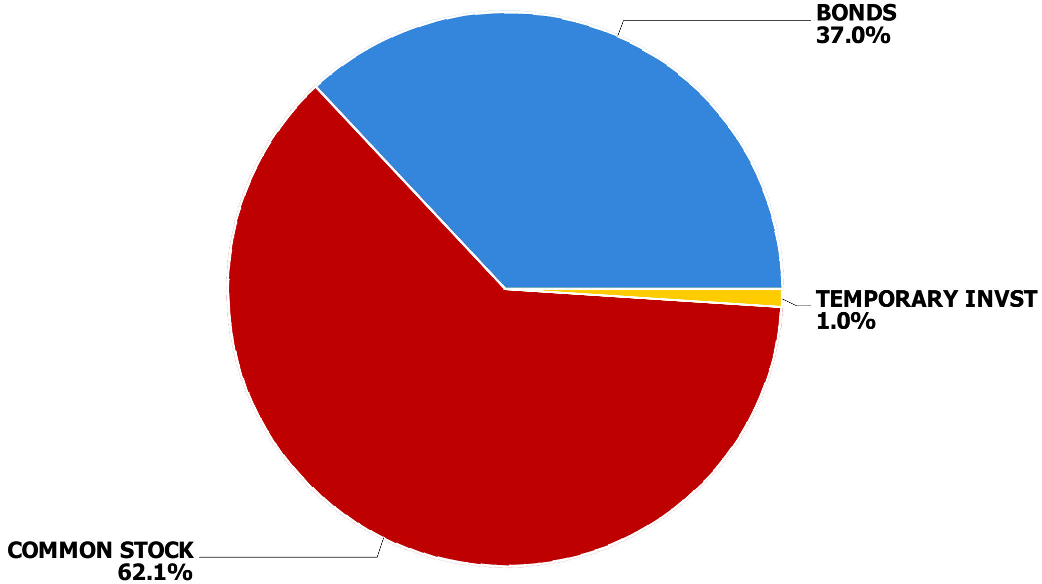
	June 2007		June 2006		June 2005		June 2004		June 2003	
★ **TOTAL FUND**	15.9	67	6.8	83	7.4	88	10.5	88	5.8	21
■ **TARGET POLICY**	15.6	69	5.6	90	7.3	89	11.8	85	5.9	20
Median	16.8		9.8		9.2		14.8		4.3	



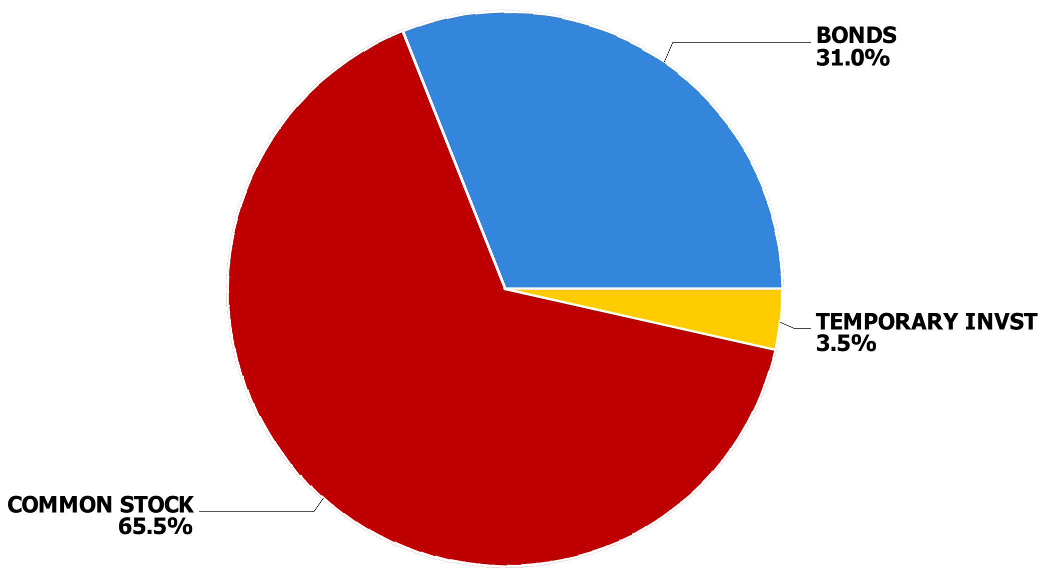
	June 2002		June 2001		June 2000	June 1999	June 1998
★ **TOTAL FUND**	-3.6	30	-2.8	50			
■ **TARGET POLICY**	-7.3	71	-1.3	38			
Median	-5.1		-2.8		8.5	10.6	17.5



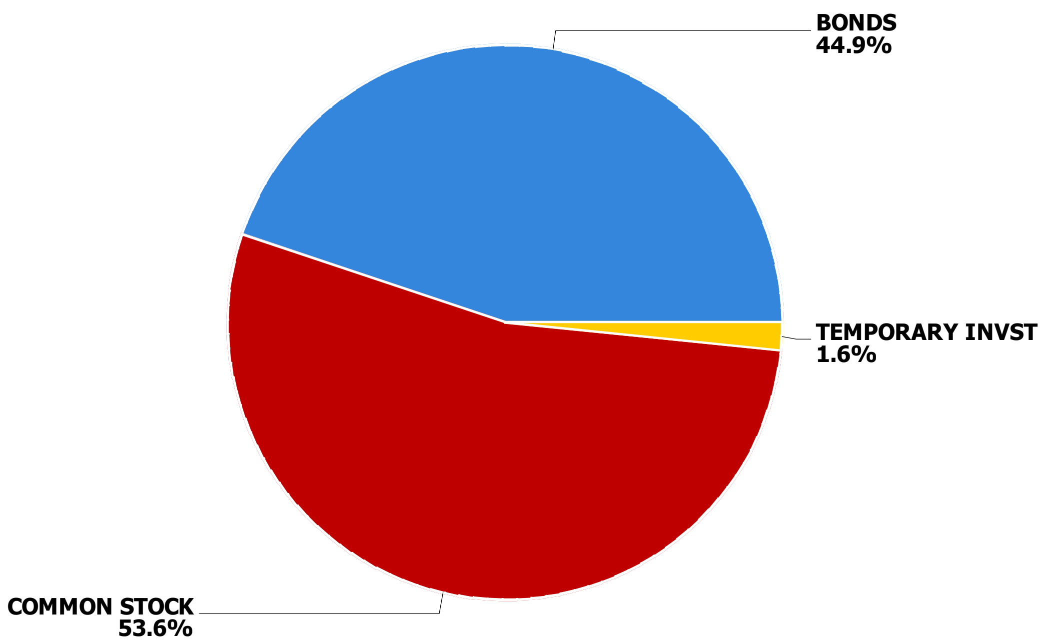
Manager	Market Value	Current%
BOSTON COMPANY	11,098,754	5.7
C. S. MCKEE	66,416,127	34.3
CIM INVEST MGT	80,753,993	41.7
ERECT Funds	5,071,619	2.6
MDL CAPITAL	30,527,975	15.7
Total	**193,868,468**	**100.0**



Asset Class	Market Value	Current%
BONDS	29,843,885	37.0
CASH	-974,425	0.0
COMMON STOCK	50,121,356	62.1
TEMPORARY INVST	1,763,177	1.0
Total	**80,753,993**	**100.0**

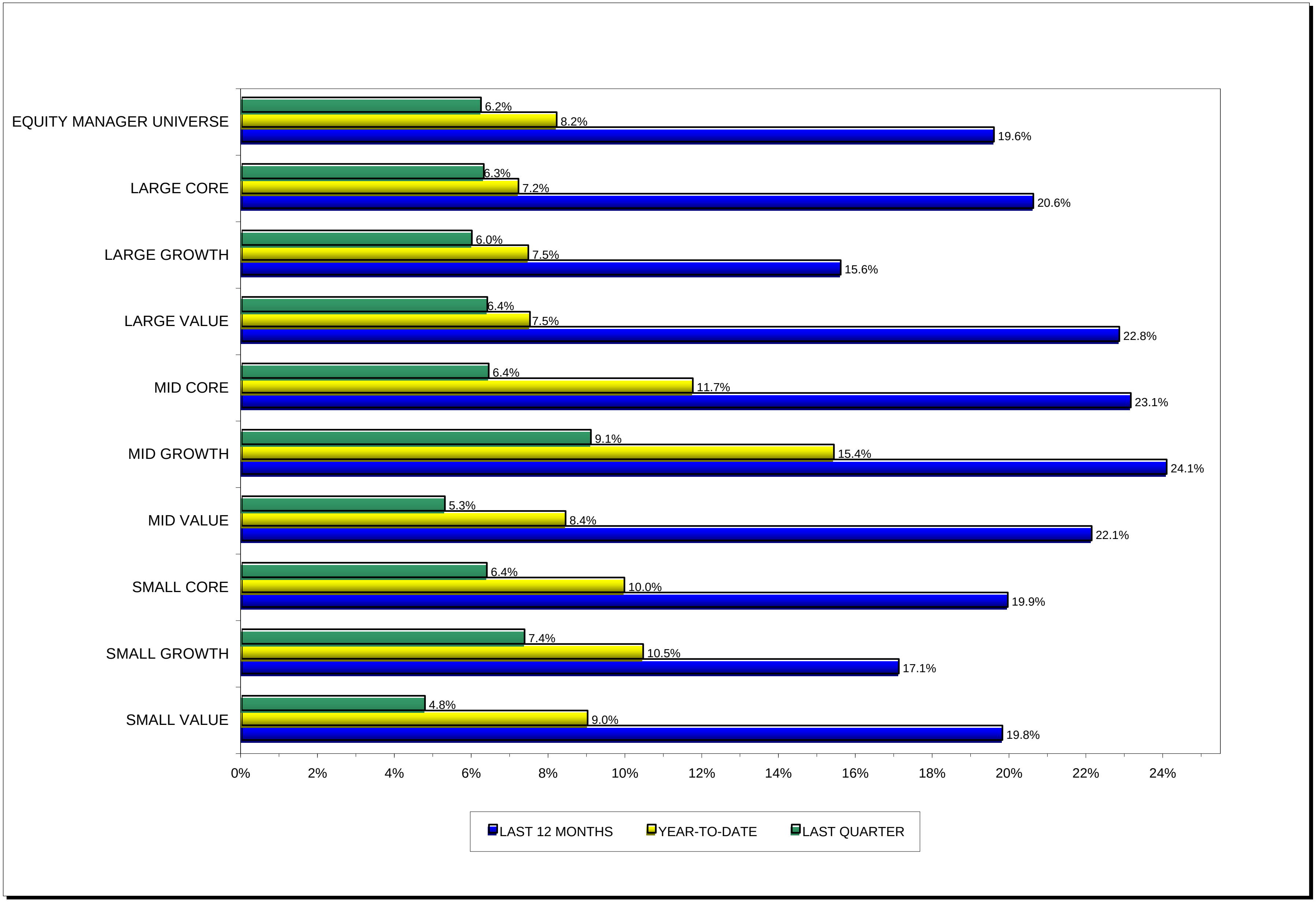


Asset Class	Market Value	Current%
BONDS	20,608,724	31.0
CASH	112,092	0.0
COMMON STOCK	43,471,786	65.5
TEMPORARY INVST	2,223,525	3.5
Total	**66,416,127**	**100.0**



Asset Class	Market Value	Current%
BONDS	13,691,862	44.9
CASH	-12,042	0.0
COMMON STOCK	16,359,843	53.6
TEMPORARY INVST	488,312	1.6
Total	**30,527,975**	**100.0**

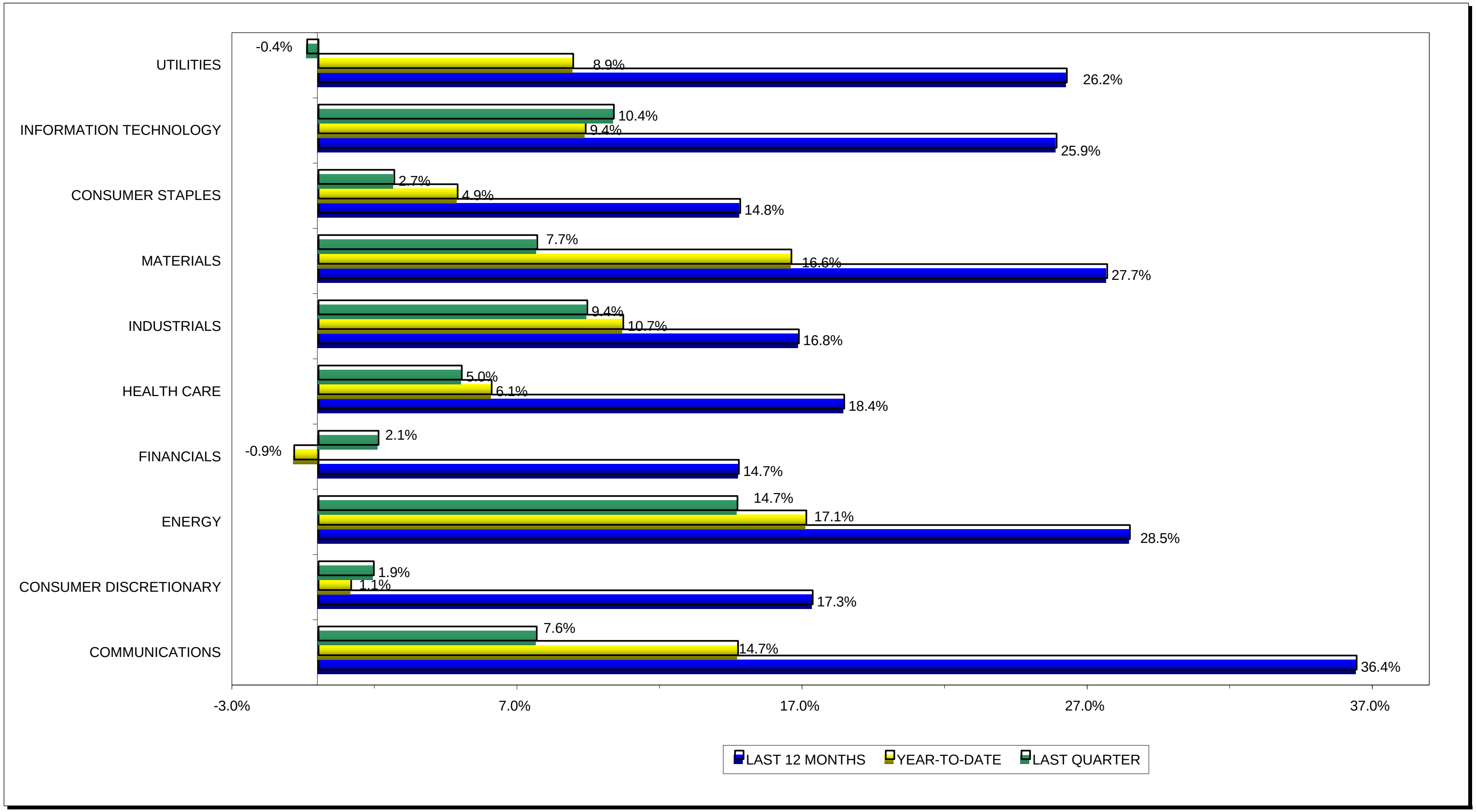
Equity Style Returns - *periods ending June 30, 2007*

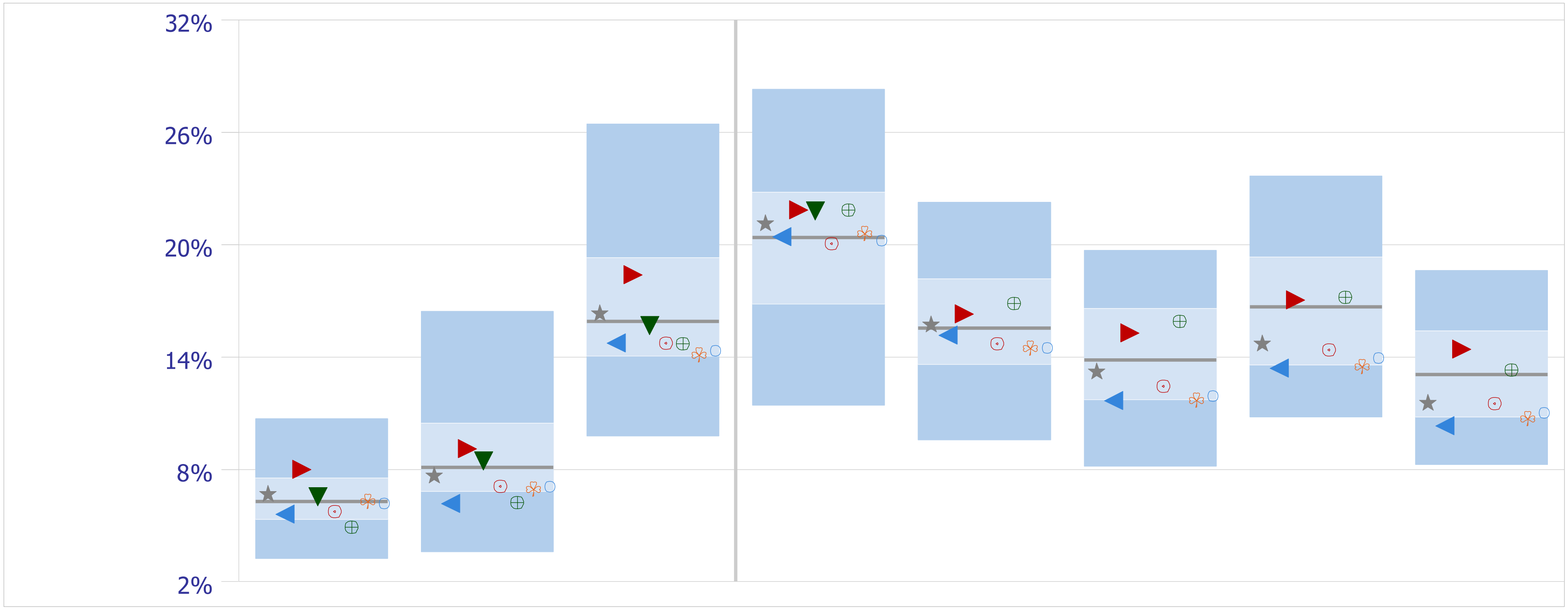


Equity Sector Returns - *periods ending June 30, 2007*

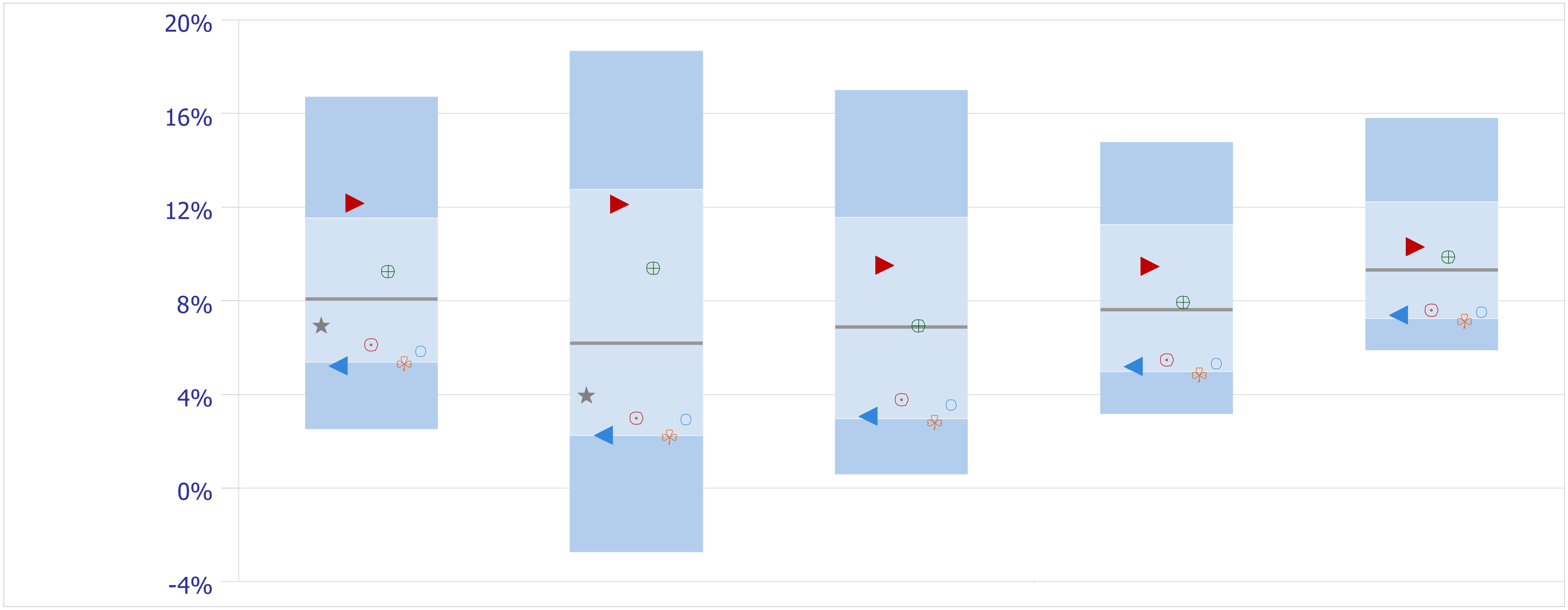
* The Energy sector experienced the greatest gains in the second quarter with a return of 14.69%, followed by the Information Technology sector at 10.4%, and Industrials at 9.4%.

* For the year ended June 30, 2007, all sectors turned in positive returns. The strongest performance was seen the Communications, Energy, and Materials sectors with returns of 36.4%, 28.5%, and 27.7% respectively.





	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ **TOTAL FUND**	6.7	40	7.7	55	16.3	46	21.2	36	15.8	47	13.2	54	14.7	64	11.6	65
◀ **CIM INVEST MGT**	5.6	69	6.2	83	14.8	61	20.4	48	15.2	53	11.7	76	13.4	82	10.3	85
▶ **C. S. MCKEE**	8.0	19	9.1	39	18.4	29	21.9	31	16.3	42	15.3	36	17.1	47	14.4	34
▼ **MDL CAPITAL**	6.6	43	8.4	46	15.7	51	21.8	32								
R 3000(R)	5.8	66	7.1	64	14.7	61	20.1	54	14.7	58	12.4	63	14.4	67	11.5	66
⊕ *R 1000(R) VALUE*	4.9	79	6.2	82	14.7	61	21.9	31	16.9	37	15.9	30	17.2	46	13.3	48
S&P 500	6.3	50	7.0	71	14.1	73	20.6	45	14.5	66	11.7	76	13.5	80	10.7	80
○ *92% SP/8%SP 600*	6.2	55	7.1	65	14.4	66	20.2	52	14.5	63	11.9	69	14.0	71	11.0	71
Median	6.3		8.1		15.9		20.4		15.5		13.8		16.7		13.1	

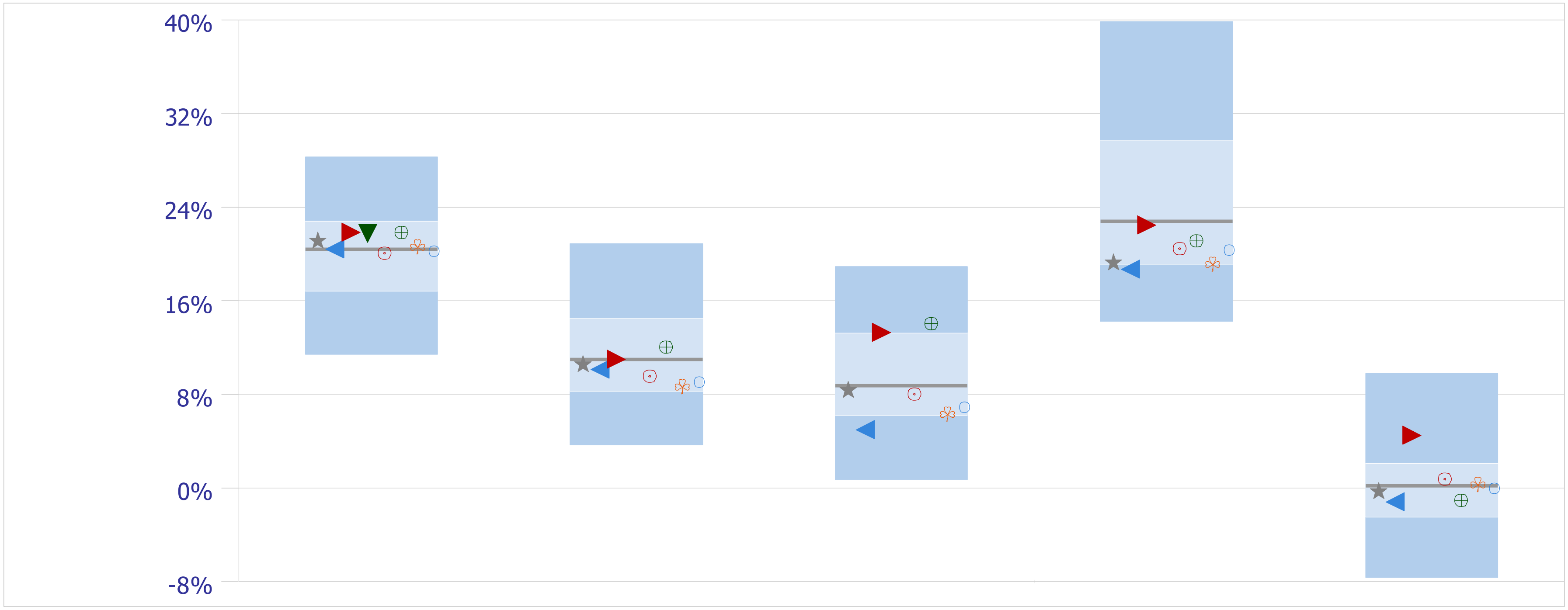


	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
★ **TOTAL FUND**	6.9	57	4.0	60						
◀ **CIM INVEST MGT**	5.2	82	2.3	73	3.1	73	5.2	70	7.4	70
▶ **C. S. MCKEE**	12.2	22	12.1	26	9.5	33	9.5	35	10.3	37
R 3000(R)	6.1	64	3.0	67	3.8	68	5.5	67	7.6	68
R 1000(R) VALUE	9.3	40	9.4	38	6.9	49	7.9	47	9.9	43
S&P 500	5.3	79	2.2	80	2.8	84	4.8	83	7.1	81
92% SP/8%SP 600	5.9	67	2.9	67	3.6	69	5.3	68	7.5	69
Median	8.1		6.2		6.9		7.6		9.3	

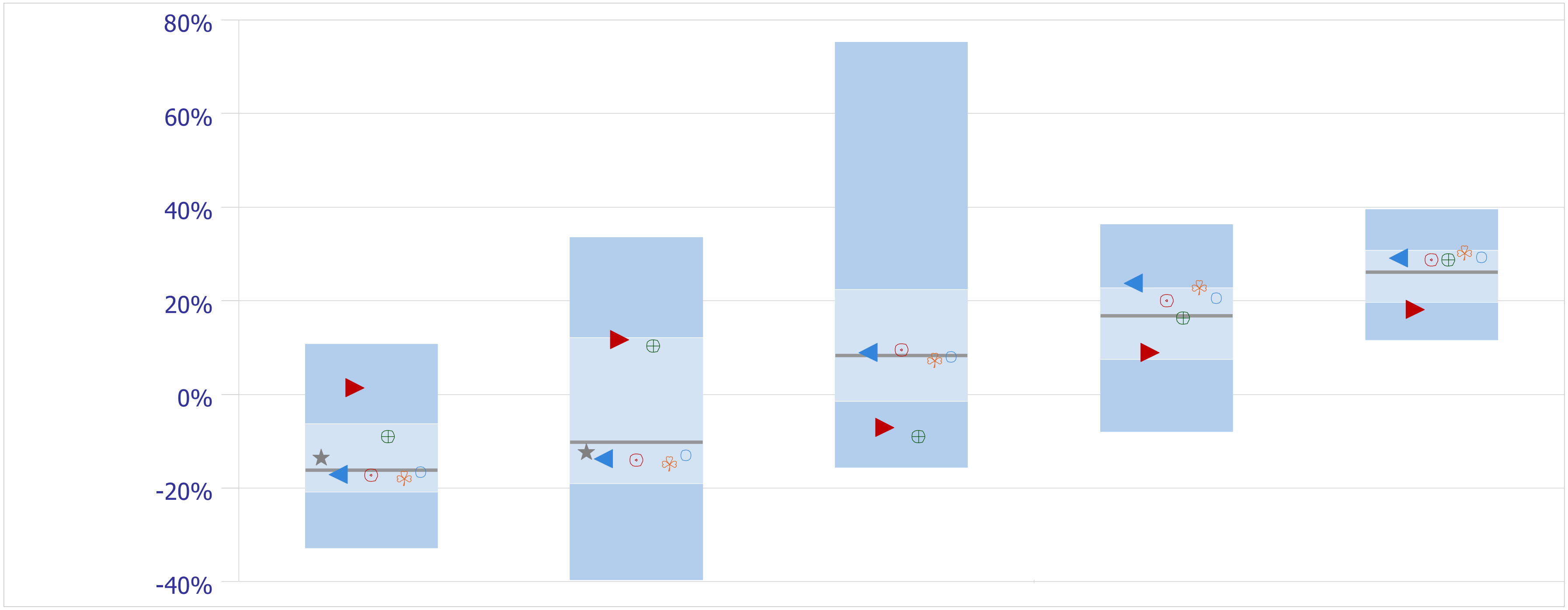
Beaver County Employees' Retirement Fund

Years Ending June

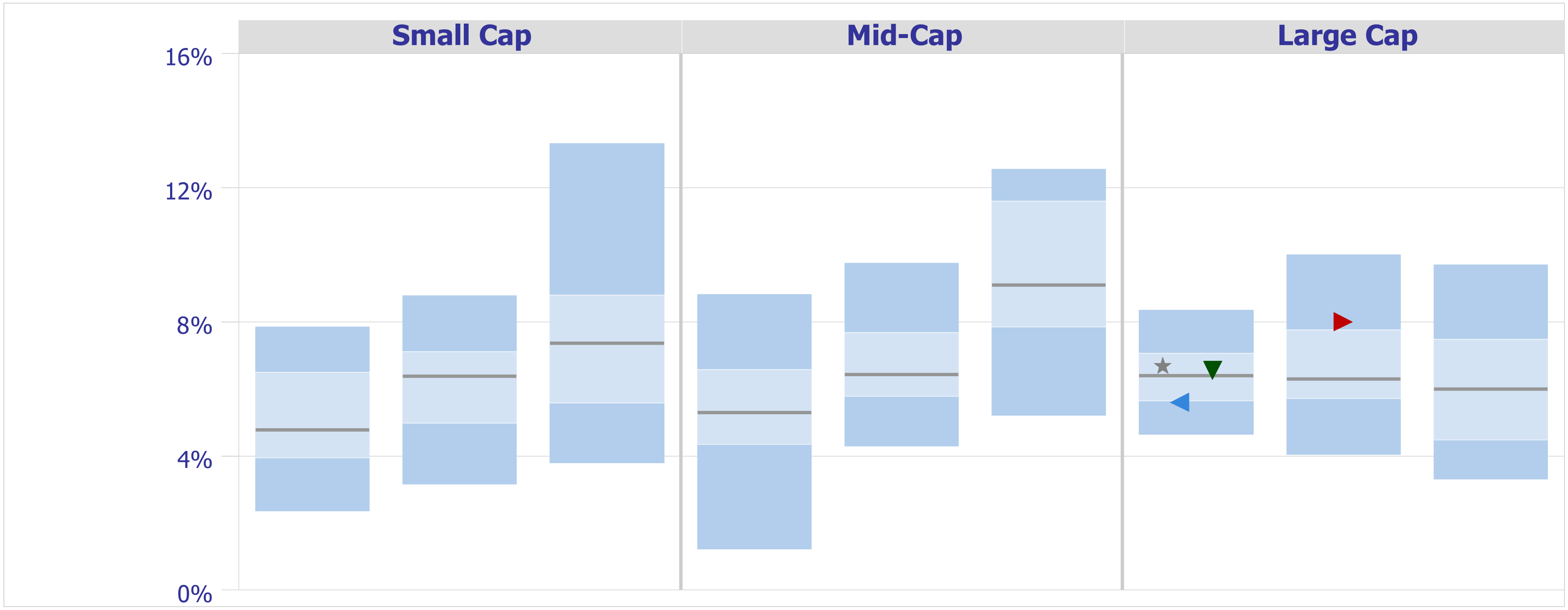
Equity Only
Rates of Return



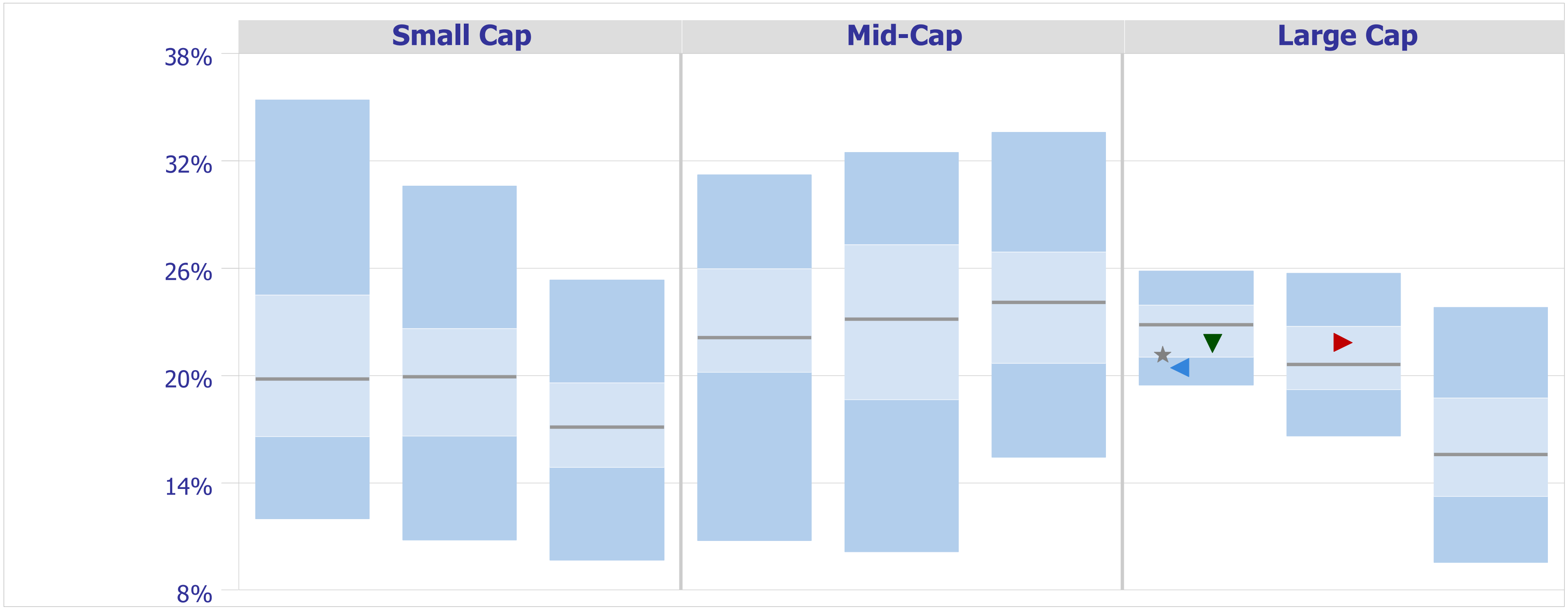
	June 2007		June 2006		June 2005		June 2004		June 2003	
★ **TOTAL FUND**	21.2	36	10.6	52	8.4	51	19.3	69	-0.3	54
CIM INVEST MGT	20.4	48	10.2	54	5.0	82	18.7	79	-1.2	62
C. S. MCKEE	21.9	31	11.0	49	13.3	24	22.5	51	4.5	15
MDL CAPITAL	21.8	32								
R 3000(R)	20.1	54	9.6	59	8.1	54	20.5	61	0.8	36
R 1000(R) VALUE	21.9	31	12.1	42	14.1	18	21.1	58	-1.0	61
S&P 500	20.6	45	8.6	71	6.3	72	19.1	74	0.3	47
92% SP/8%SP 600	20.2	52	9.1	62	6.9	62	20.4	62	0.0	51
Median	20.4		11.0		8.8		22.8		0.2	



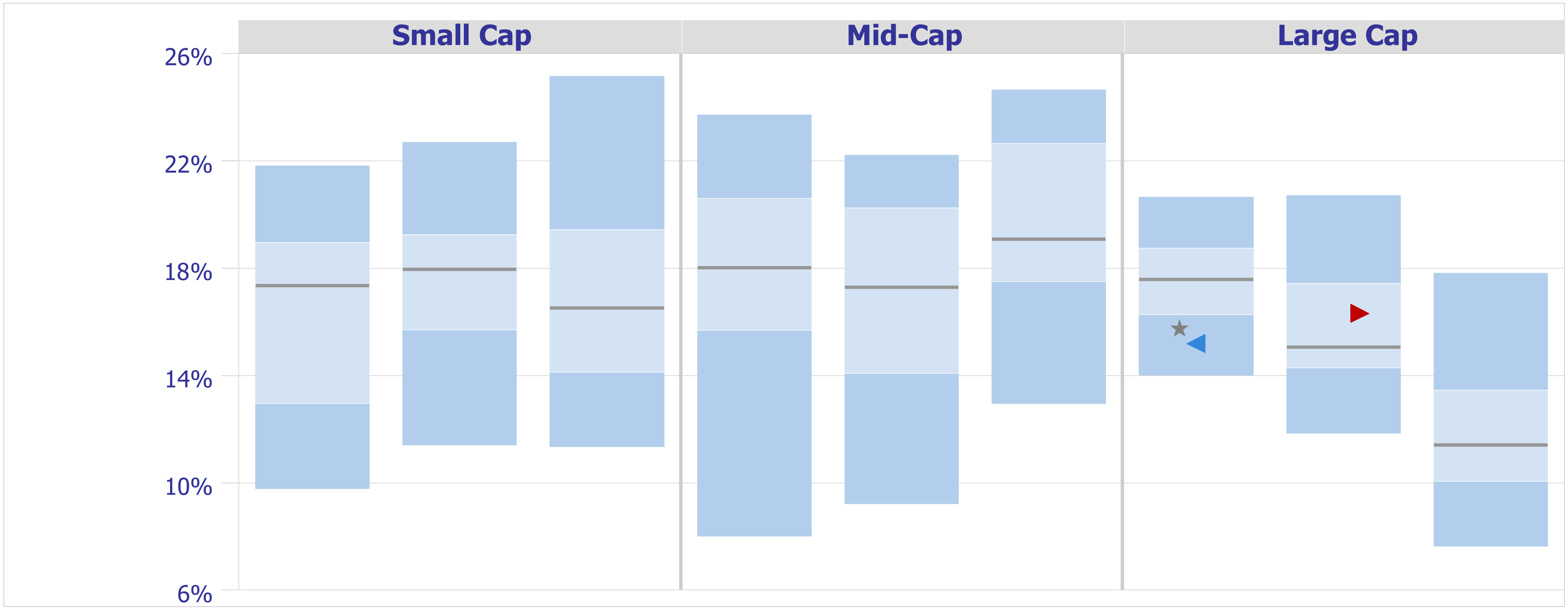
	June 2002		June 2001		June 2000		June 1999		June 1998	
★ **TOTAL FUND**	-13.5	41	-12.2	53						
◀ **CIM INVEST MGT**	-17.0	53	-13.7	57	9.0	48	23.8	19	29.2	39
▶ **C. S. MCKEE**	1.5	12	11.8	25	-7.0	83	9.0	71	18.2	80
R 3000(R)	-17.2	54	-13.9	57	9.6	46	20.1	38	28.8	40
R 1000(R) VALUE	-9.0	30	10.3	27	-8.9	86	16.4	51	28.8	40
S&P 500	-18.0	61	-14.8	65	7.3	57	22.8	26	30.2	31
92% SP/8%SP 600	-16.6	51	-12.9	54	8.0	50	20.6	36	29.3	38
Median	-16.1		-10.2		8.3		16.8		26.1	



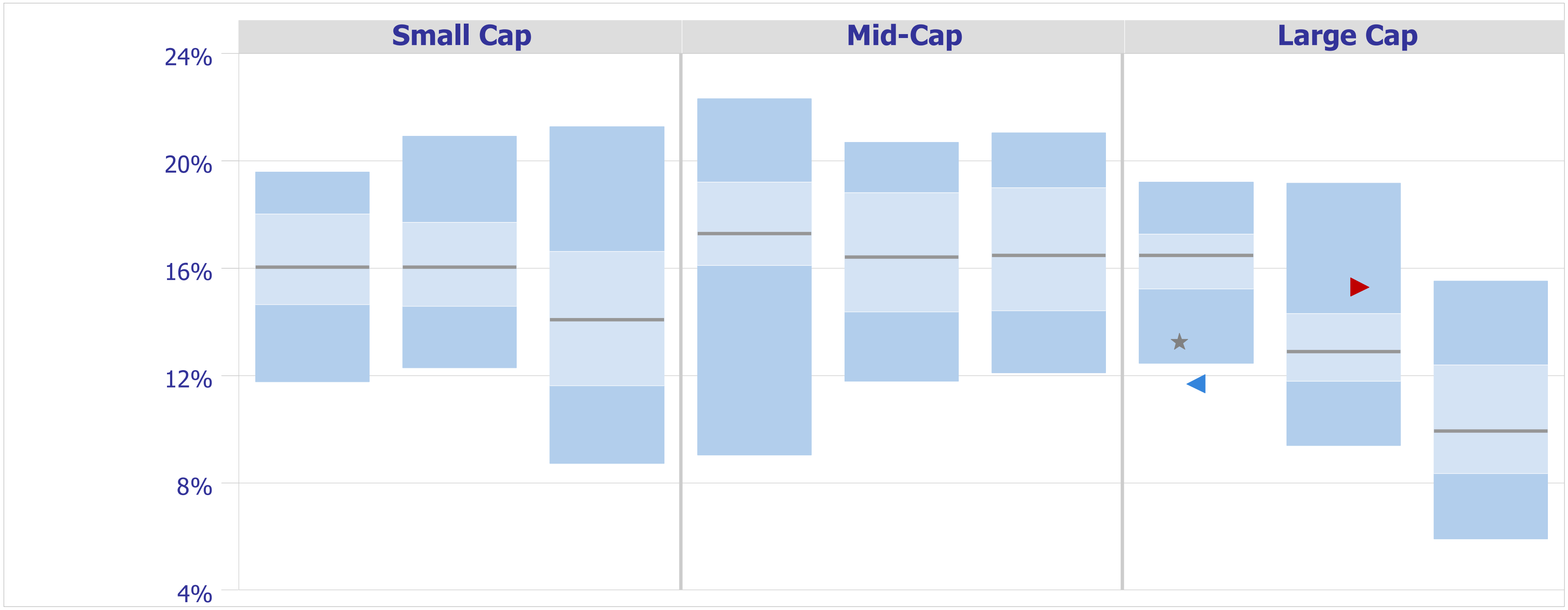
	Small Cap Value	Small Cap Core	Small Cap Growth	Mid-Cap Value	Mid-Cap Core	Mid-Cap Growth	Large Cap Value	Large Cap Core	Large Cap Growth
★ **TOTAL FUND**							6.7 40		
◀ **CIM INVEST MGT**							5.6 76		
▶ **C. S. MCKEE**								8.0 21	
▼ **MDL CAPITAL**							6.6 44		
Median	4.8	6.4	7.4	5.3	6.4	9.1	6.4	6.3	6.0



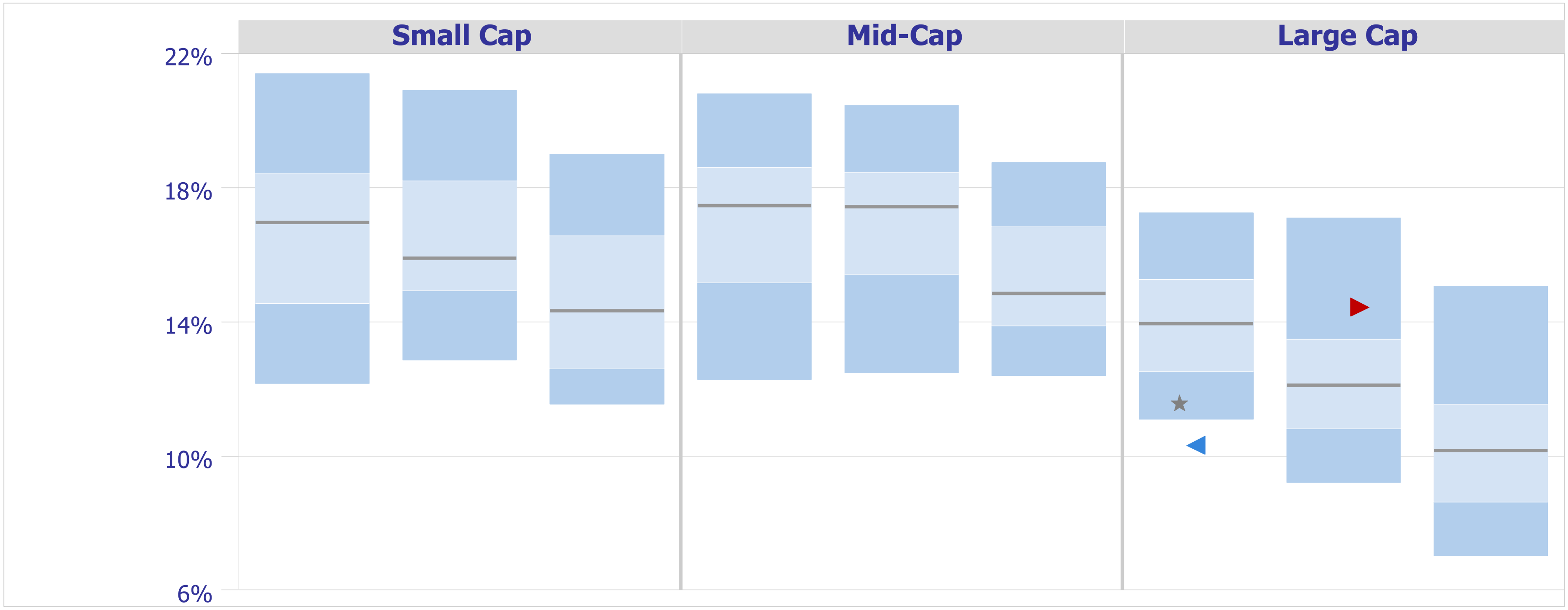
	Small Cap Value	Small Cap Core	Small Cap Growth	Mid-Cap Value	Mid-Cap Core	Mid-Cap Growth	Large Cap Value	Large Cap Core	Large Cap Growth
★ **TOTAL FUND**							21.2 74		
◀ **CIM INVEST MGT**							20.4 82		
▶ **C. S. MCKEE**								21.9 35	
▼ **MDL CAPITAL**							21.8 67		
Median	19.8	19.9	17.1	22.1	23.1	24.1	22.8	20.6	15.6



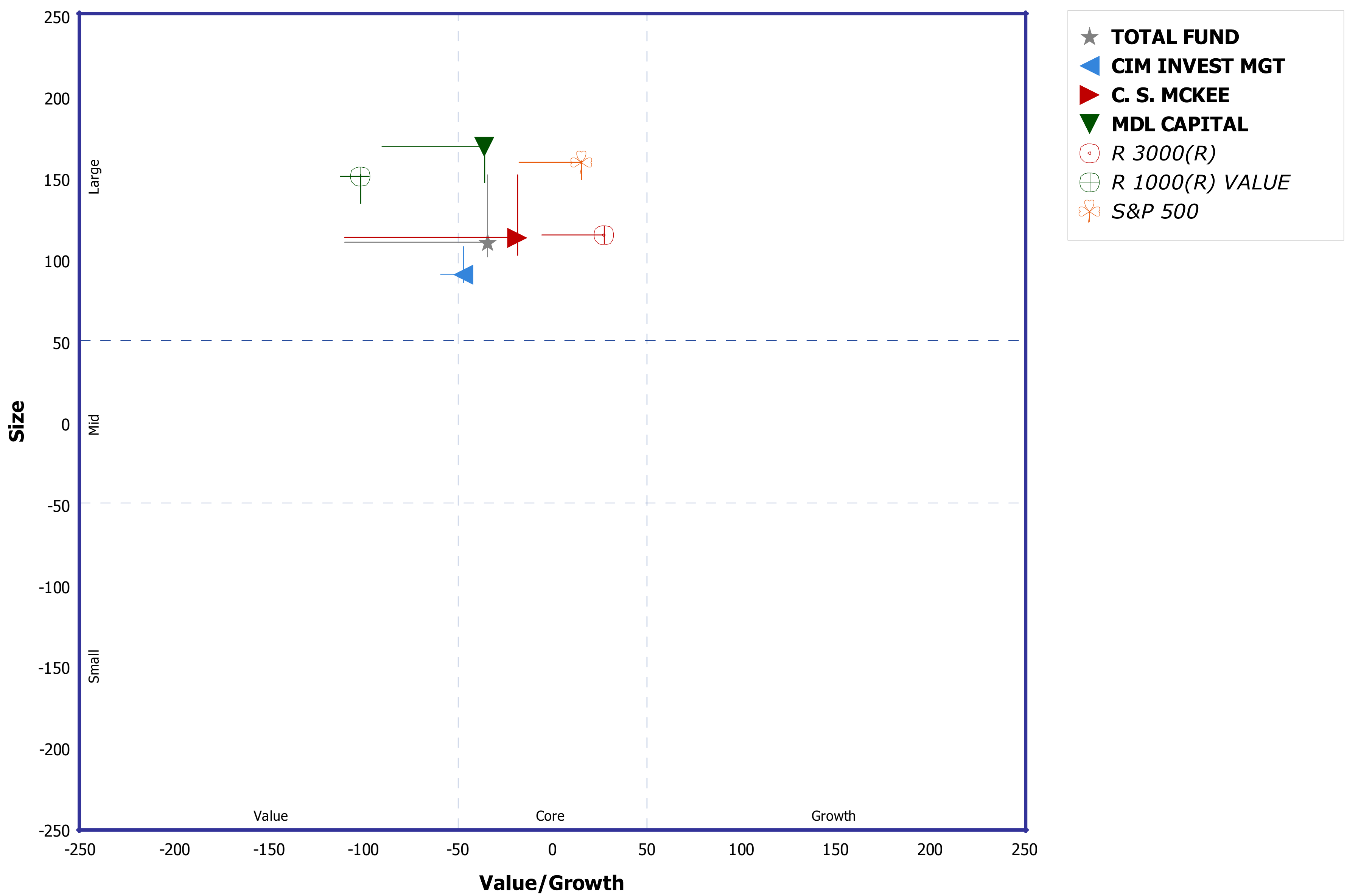
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
★ TOTAL FUND							15.8 82		
◀ CIM INVEST MGT							15.2 89		
▶ C. S. MCKEE								16.3 32	
Median	17.3	17.9	16.5	18.0	17.3	19.1	17.6	15.1	11.4



	Small Cap Value	Small Cap Core	Small Cap Growth	Mid-Cap Value	Mid-Cap Core	Mid-Cap Growth	Large Cap Value	Large Cap Core	Large Cap Growth
★ TOTAL FUND							13.2 90		
◀ CIM INVEST MGT							11.7 97		
▶ C. S. MCKEE								15.3 16	
Median	16.0	16.0	14.1	17.3	16.4	16.5	16.5	12.9	9.9



	Value	Core	Growth	Value	Core	Growth	Value		Core		Growth
★ **TOTAL FUND**							11.6	88			
◀ **CIM INVEST MGT**							10.3	96			
▶ **C. S. MCKEE**									14.4	11	
Median	17.0	15.9	14.3	17.5	17.4	14.8	13.9		12.1		10.2



Style assignment based on Morningstar © Size and VCG Scores and Morningstar Style Box™ methodology

Portfolio Characteristics

	Portfolio	S&P 500
Total Number of Securities	314	
Total Market Value $	109,602,702	
Average Market Capitalization (000's)	81,442,500	102,378,900
Median Market Capitalization (000's)		13,653,500
Equity Segment Yield	1.89	1.82
Equity Segment P/E	15.52	16.54
Equity Segment Beta	1.02	1.00
Price/Book Ratio	3.26	3.84
Five Year Earnings Growth	19.90	21.01
Return On Equity	18.64	20.03

Ten Largest Holdings

Name	$	Weight
CHEVRON CORP	2,904,174	2.6
GENERAL ELEC CO	2,570,693	2.3
CONOCOPHILLIPS	2,559,571	2.3
AT & T INC	2,187,092	2.0
CISCO SYS INC	2,079,977	1.9
EXXON MOBIL CORP	2,040,381	1.9
INTEL CORP	2,023,242	1.8
MARATHON OIL CORP	1,822,784	1.7
J P MORGAN CHASE &	1,793,619	1.6
TEXAS INSTRS INC	1,680,932	1.5

Ten Best Performers

Name	Return
SUN HYDRAULICS CORP	84.8
TTM TECHNOLOGIES IN	36.3
MAF BANCORP INC	31.9
SEMTECH CORP	28.6
FOREST OIL CORP	26.6
MANITOWOC INC	26.6
ROWAN COS INC	26.5
TEXAS INSTRS INC	25.3
INTEL CORP	24.7
EMCOR GROUP INC	23.6

Ten Worst Performers

Name	Return
FINISH LINE INC	-27.6
PANERA BREAD CO	-22.0
DAKTRONICS INC	-21.5
UNITED COMMUNITY BA	-20.8
PINNACLE WEST CAP C	-16.5
GLACIER BANCORP INC	-14.9
INDEPENDENT BANK CO	-14.6
NISOURCE INC	-14.5
UNITED NAT FOODS IN	-13.3
LIZ CLAIBORNE INC C	-12.8

Equity Only Summary Statistics
CIM INVESTMENT MANAGEMENT

Portfolio Characteristics

	Portfolio	S&P 500
Total Number of Securities	213	
Total Market Value $	50,057,152	
Average Market Capitalization (000's)	81,017,200	102,378,900
Median Market Capitalization (000's)	4,593,900	13,653,500
Equity Segment Yield	2.07	1.82
Equity Segment P/E	16.01	16.54
Equity Segment Beta	0.99	1.00
Price/Book Ratio	3.52	3.84
Five Year Earnings Growth	18.18	21.01
Return On Equity	19.02	20.03

Ten Largest Holdings

Name	$	Weight
EXXON MOBIL CORP	1,524,519	3.0
GENERAL ELEC CO	1,305,539	2.6
MICROSOFT	831,643	1.7
CITIGROUP INC	756,528	1.5
AT & T INC	737,040	1.5
TORCHMARK CORP COM	670,670	1.3
PFIZER INC	627,104	1.3
BANK OF AMERICA COR	613,227	1.2
CISCO SYS INC	605,320	1.2
INTEL CORP	591,720	1.2

Ten Best Performers

Name	Return
MAF BANCORP INC	31.9
MANITOWOC INC	26.6
ROWAN COS INC	26.5
TEXAS INSTRS INC	25.3
SCHLUMBERGER LTD CO	23.2
KAYDON CORP	22.8
EQUIFAX INC	22.0
LABOR READY INC	21.7
TRIMBLE NAV LTD	20.0
CLARCOR INC COM	18.0

Ten Worst Performers

Name	Return
FINISH LINE INC	-27.6
PANERA BREAD CO	-22.0
PINNACLE WEST CAP C	-16.5
GLACIER BANCORP INC	-14.9
INDEPENDENT BANK CO	-14.6
NISOURCE INC	-14.5
LIZ CLAIBORNE INC C	-12.8
GRIFFON CORP	-12.0
T&HQ INC	-10.7
SKYLINE CORP	-10.6

Portfolio Characteristics

	Portfolio	R 3000(R)
Total Number of Securities	96	
Total Market Value $	43,445,302	
Average Market Capitalization (000's)	71,634,400	81,903,300
Median Market Capitalization (000's)	8,721,700	1,228,700
Equity Segment Yield	1.62	1.67
Equity Segment P/E	15.22	16.74
Equity Segment Beta	1.06	1.12
Price/Book Ratio	2.96	3.83
Five Year Earnings Growth	21.36	21.72
Return On Equity	17.75	18.48

Ten Largest Holdings

Name	$	Weight
CHEVRON CORP	1,996,488	4.6
MARATHON OIL CORP	1,822,784	4.2
CONOCOPHILLIPS	1,611,684	3.7
INTEL CORP	1,234,480	2.8
PUBLIC SVC ENTERPRI	1,228,920	2.8
CISCO SYS INC	1,214,260	2.8
TYCO INTL LTD NEW	1,050,869	2.4
TEXAS INSTRS INC	1,049,877	2.4
TRI CONTL CORP COM	1,040,800	2.4
DELL INC	913,600	2.1

Ten Best Performers

Name	Return
SUN HYDRAULICS CORP	84.8
TTM TECHNOLOGIES IN	36.3
SEMTECH CORP	28.6
FOREST OIL CORP	26.6
TEXAS INSTRS INC	25.3
INTEL CORP	24.7
EMCOR GROUP INC	23.6
DELL INC	23.0
HONEYWELL INTL INC	22.7
MARATHON OIL CORP	21.9

Ten Worst Performers

Name	Return
DAKTRONICS INC	-21.5
UNITED COMMUNITY BA	-20.8
UNITED NAT FOODS IN	-13.3
ENTERCOM COMMUNICAT	-10.3
YRC WORLDWIDE INC	-8.5
HANESBRANDS INC COM	-8.0
BANCFIRST CORPORATI	-7.2
SOUTHWEST BANCORP I	-6.1
LAKELAND FINANCIAL	-5.7
UNIONBANCAL CORP	-5.1

Portfolio Characteristics

	Portfolio	R 1000(R) VALUE
Total Number of Securities	62	
Total Market Value $	16,100,248	
Average Market Capitalization (000's)	111,322,300	113,067,600
Median Market Capitalization (000's)	45,017,500	5,444,900
Equity Segment Yield	2.04	2.38
Equity Segment P/E	14.83	13.91
Equity Segment Beta	1.00	1.00
Price/Book Ratio	3.17	2.58
Five Year Earnings Growth	21.56	16.29
Return On Equity	19.82	16.90

Ten Largest Holdings

Name	$	Weight
AT & T INC	611,586	3.8
EXXON MOBIL CORP	515,862	3.2
PROCTER & GAMBLE CO	510,937	3.2
BANK OF AMERICA COR	510,901	3.2
GENERAL ELEC CO	509,124	3.2
AMERICAN INTL GROUP	486,709	3.0
CONOCOPHILLIPS	439,600	2.7
COCA COLA CO	431,558	2.7
CITIGROUP INC	397,498	2.5
JOHNSON & JOHNSON	369,720	2.3

Ten Best Performers

Name	Return
MONSANTO CO NEW	23.2
CATERPILLAR INC	17.3
CONOCOPHILLIPS	15.5
WYETH	15.1
CHEVRON CORP	14.7
VALERO ENERGY CORP	14.7
ITT INDS INC	13.4
CORNING INC	12.4
EXXON MOBIL CORP	11.7
HEWLETT PACKARD CO	11.4

Ten Worst Performers

Name	Return
WACHOVIA CORP	-5.9
BEST BUY INC	-4.0
ISTAR FINL INC	-3.6
PROCTER & GAMBLE CO	-2.6
SEMPRA ENERGY	-2.4
PNC FINL SVCS GROUP	0.3
J P MORGAN CHASE &	0.8
CITIGROUP INC	0.9
DISNEY WALT CO	1.1
PFIZER INC	2.3

	Portfolio		S&P 500		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	12.3	3.4	10.5	1.9	0.2	-0.1	0.1
Consumer Staples	5.9	3.0	9.6	2.7	0.0	0.1	0.1
Energy	10.8	15.8	9.9	14.7	0.1	0.1	0.2
Financials	19.7	1.2	21.6	2.1	-0.2	0.1	-0.1
Health Care	10.4	5.5	11.9	5.0	0.1	0.0	0.1
Industrials	13.1	10.5	11.0	9.4	0.1	0.1	0.2
Info Technology	11.1	13.3	14.8	10.4	0.3	-0.2	0.2
Materials	4.9	8.4	3.2	7.7	0.0	0.0	0.1
Telecom Services	2.9	7.5	3.7	7.6	0.0	0.0	0.0
Utilities	5.6	-2.2	3.7	-0.4	-0.1	-0.1	-0.2
Miscellaneous	3.3	0.0	0.0		0.0	-0.2	-0.2
TOTAL	100%	6.5	100%	6.1	0.6	-0.2	0.4

Equity Only Buy/Hold Return (B)	**6.5**	**Stock Selection (E)**	**0.6**
Benchmark Buy/Hold Return (D)	**6.1**	**Sector Weighting (F)**	**-0.2**
Total Relative Return Difference (B/D)	**0.4**	**Total Selection (E * F)**	**0.4**
Equity Only Actual Return (*)	**6.7**	**Total Value Added (Selection * Trading)**	**0.6**
Equity Only Buy/Hold Return (B)	**6.5**		
Intra-Period Trading (* / B)	**0.2**		

	Portfolio		S&P 500		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	13.5	4.4	10.5	1.9	0.3	-0.1	0.2
Consumer Staples	6.2	4.8	9.6	2.7	0.1	0.1	0.2
Energy	8.3	14.5	9.9	14.7	0.0	-0.1	-0.1
Financials	20.9	1.8	21.6	2.1	-0.1	0.0	0.0
Health Care	9.2	5.0	11.9	5.0	0.0	0.0	0.0
Industrials	13.7	11.9	11.0	9.4	0.3	0.1	0.4
Info Technology	10.8	9.9	14.8	10.4	-0.1	-0.2	-0.2
Materials	7.9	4.8	3.2	7.7	-0.2	0.1	-0.2
Telecom Services	2.6	8.2	3.7	7.6	0.0	0.0	0.0
Utilities	6.9	-6.2	3.7	-0.4	-0.4	-0.2	-0.6
Miscellaneous	0.1	0.0	0.0		0.0	0.0	0.0
TOTAL	100%	5.8	100%	6.1	0.1	-0.3	-0.3

Equity Only Buy/Hold Return (B)	**5.8**	**Stock Selection (E)**	**0.1**
Benchmark Buy/Hold Return (D)	**6.1**	**Sector Weighting (F)**	**-0.3**
Total Relative Return Difference (B/D)	**-0.3**	**Total Selection (E * F)**	**-0.3**
Equity Only Actual Return (*)	**5.6**	**Total Value Added**	**-0.4**
Equity Only Buy/Hold Return (B)	**5.8**	**(Selection * Trading)**	
Intra-Period Trading (* / B)	**-0.2**		

	Portfolio		R 3000(R)		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	12.6	2.6	11.4	2.7	0.0	0.0	0.0
Consumer Staples	5.4	0.9	8.5	2.8	-0.1	0.1	0.0
Energy	13.7	17.4	8.6	13.6	0.5	0.4	0.9
Financials	15.3	0.0	21.6	1.2	-0.2	0.3	0.1
Health Care	13.1	5.5	12.1	4.5	0.1	0.0	0.1
Industrials	14.4	8.9	11.3	9.9	-0.1	0.1	0.0
Info Technology	13.8	16.3	15.2	10.0	0.9	-0.1	0.8
Materials	1.7	20.1	3.8	8.9	0.2	-0.1	0.1
Telecom Services	2.0	6.2	3.6	7.7	0.0	0.0	-0.1
Utilities	4.5	3.4	4.0	-0.2	0.2	0.0	0.1
Miscellaneous	3.4	0.0	0.0		0.0	-0.2	-0.2
TOTAL	100%	7.6	100%	5.7	1.3	0.5	1.8

Equity Only Buy/Hold Return (B)	**7.6**	**Stock Selection (E)**	**1.3**
Benchmark Buy/Hold Return (D)	**5.7**	**Sector Weighting (F)**	**0.5**
Total Relative Return Difference (B/D)	**1.8**	**Total Selection (E * F)**	**1.8**
Equity Only Actual Return (*)	**8.0**	**Total Value Added (Selection * Trading)**	**2.2**
Equity Only Buy/Hold Return (B)	**7.6**		
Intra-Period Trading (* / B)	**0.3**		

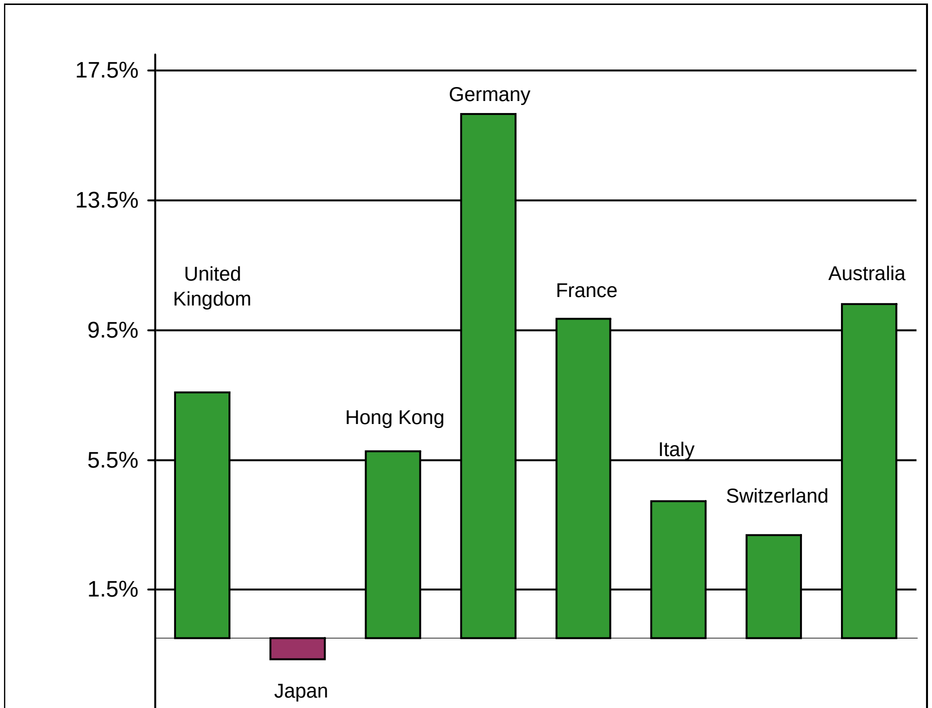
	Portfolio		R 1000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	8.0	1.3	8.4	5.5	-0.3	0.0	-0.3
Consumer Staples	6.6	2.6	7.8	2.9	0.0	0.0	0.0
Energy	11.1	13.7	14.1	13.3	0.0	-0.2	-0.2
Financials	27.3	1.4	35.0	0.7	0.2	0.3	0.5
Health Care	7.2	7.9	6.9	6.3	0.1	0.0	0.1
Industrials	7.8	10.7	7.1	10.3	0.0	0.0	0.1
Info Technology	4.5	13.9	3.3	8.3	0.2	0.0	0.3
Materials	3.9	17.6	3.9	7.5	0.4	0.0	0.4
Telecom Services	6.6	7.8	6.6	7.7	0.0	0.0	0.0
Utilities	4.4	2.2	6.8	-1.3	0.1	0.1	0.3
Miscellaneous	12.7	0.0	0.0		0.0	-0.6	-0.6
TOTAL	100%	5.5	100%	5.0	0.8	-0.3	0.5

Equity Only Buy/Hold Return (B)	**5.5**	**Stock Selection (E)**	**0.8**
Benchmark Buy/Hold Return (D)	**5.0**	**Sector Weighting (F)**	**-0.3**
Total Relative Return Difference (B/D)	**0.5**	**Total Selection (E * F)**	**0.5**
Equity Only Actual Return (*)	**6.6**	**Total Value Added**	**1.5**
Equity Only Buy/Hold Return (B)	**5.5**	**(Selection * Trading)**	
Intra-Period Trading (* / B)	**1.0**		

International Portfolios - *For periods ending June 30, 2007*

Major Market Performance

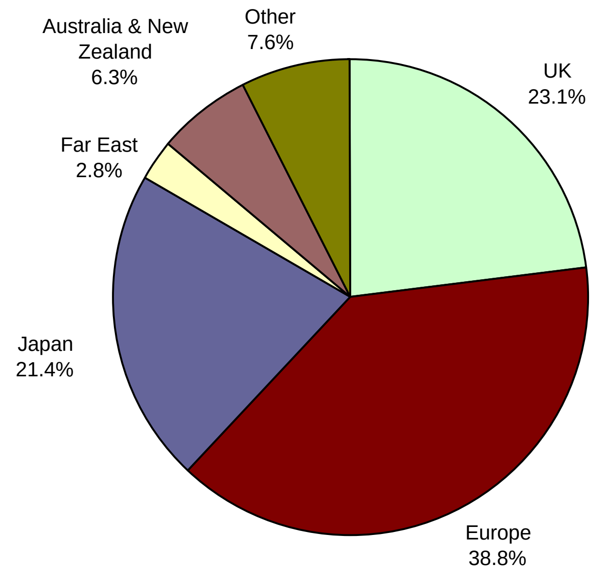
Market Performance - Second Quarter, 2007

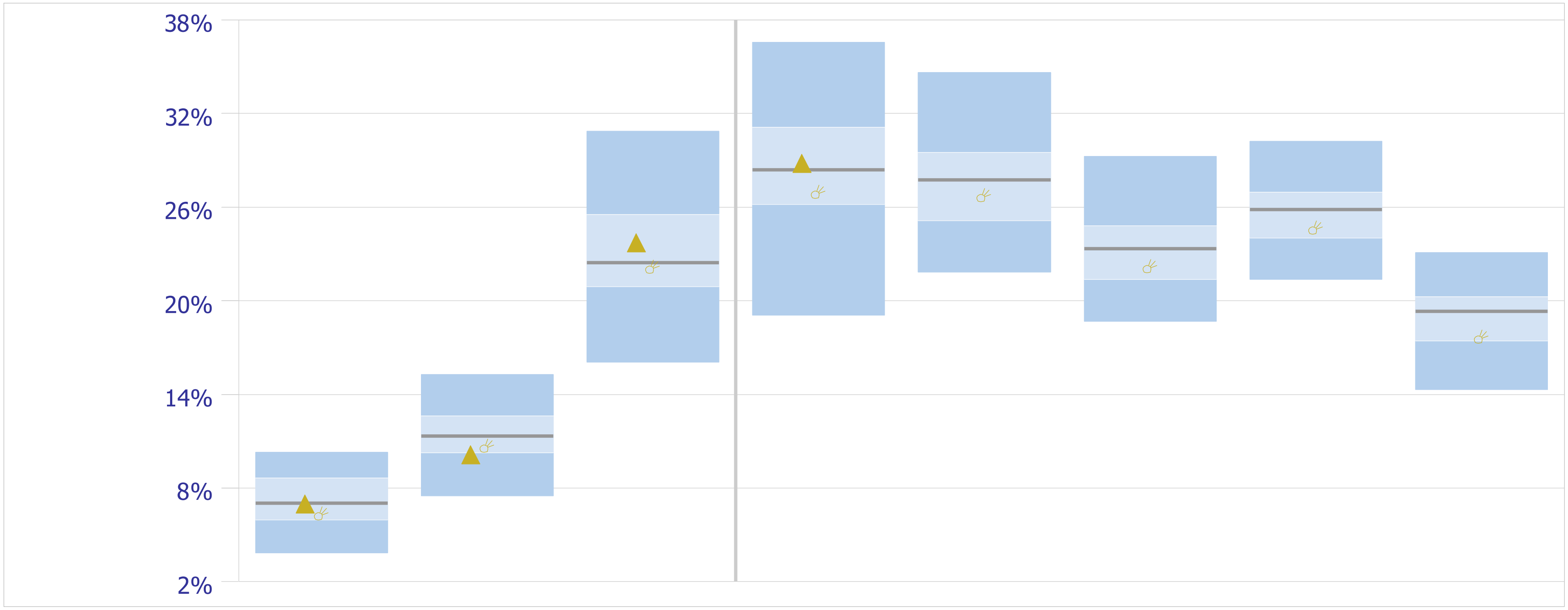


	United Kingdom	Japan	Hong Kong	Germany	France	Italy	Switzerland	Australia
2Q07 Performance	7.6%	(0.6%)	5.8%	16.2%	9.9%	4.2%	3.2%	10.3%

MSCI-EAFE International Equity Index (net of taxes) returned 6.4% for the second quarter.

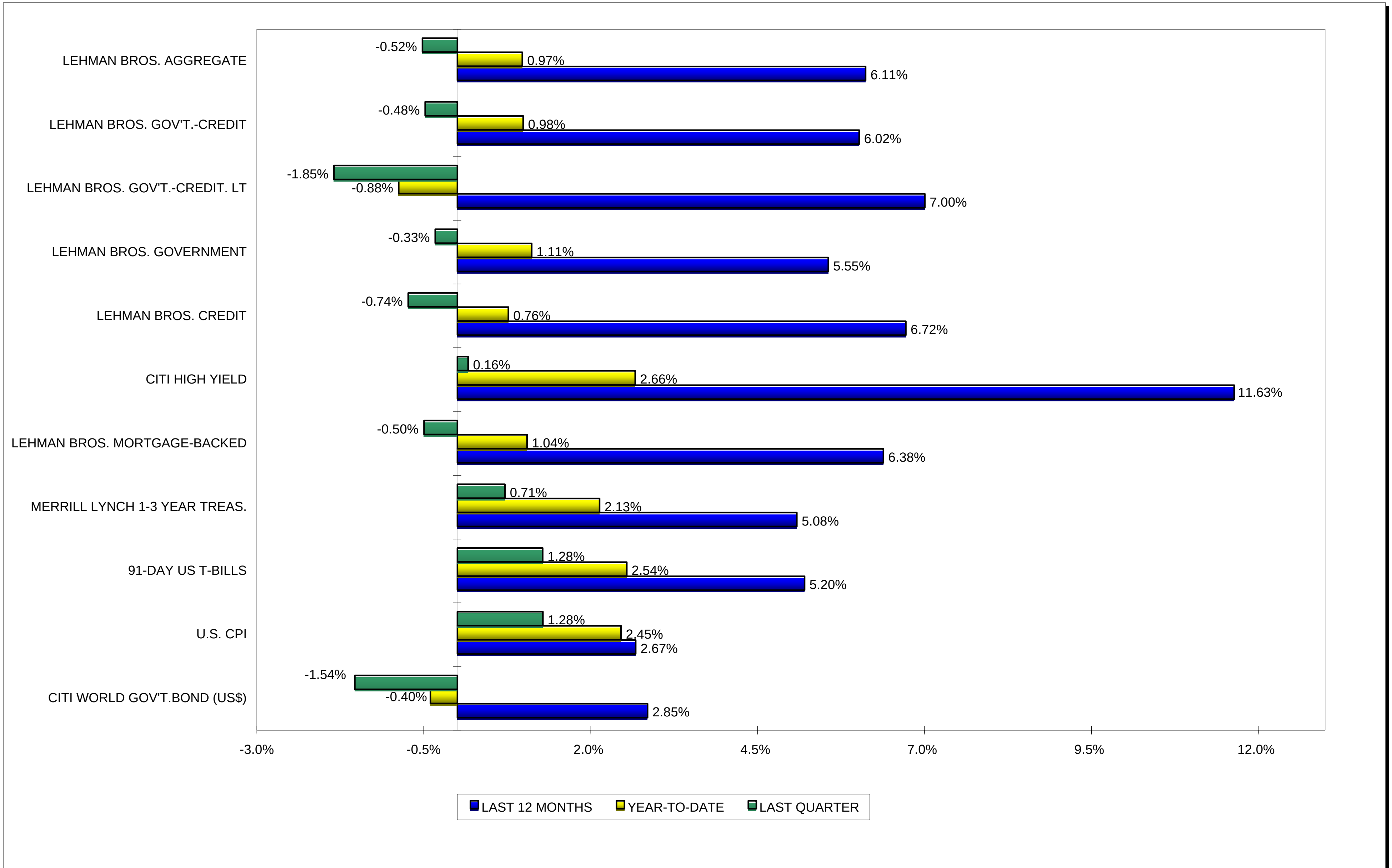
Country Weighting - EAFE Index





	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
▲ **BOSTON COMPANY**	7.0	51	10.1	77	23.7	37	28.8	43								
MS EAFE NET	6.4	70	10.7	66	22.2	54	27.0	68	26.8	64	22.2	64	24.7	68	17.7	71
Median	7.0		11.3		22.4		28.4		27.7		23.3		25.9		19.3	

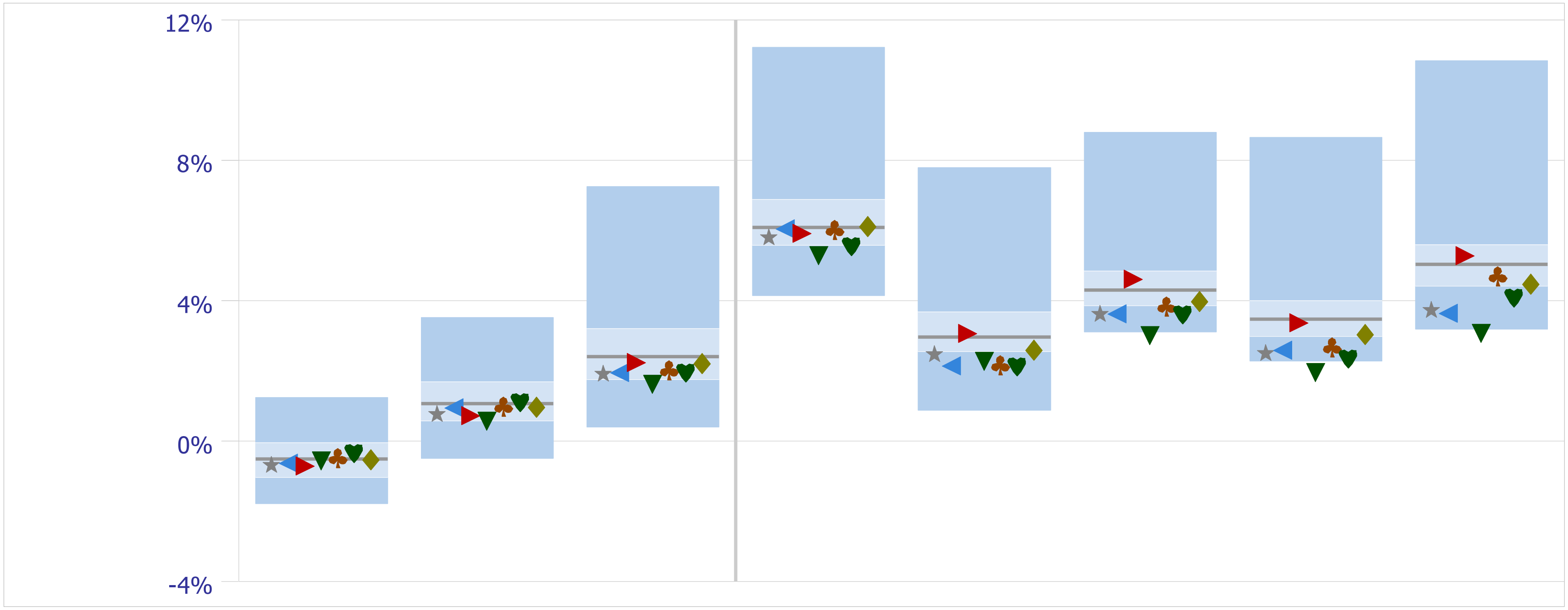
Fixed Income Returns - *periods ending June 30, 2007*



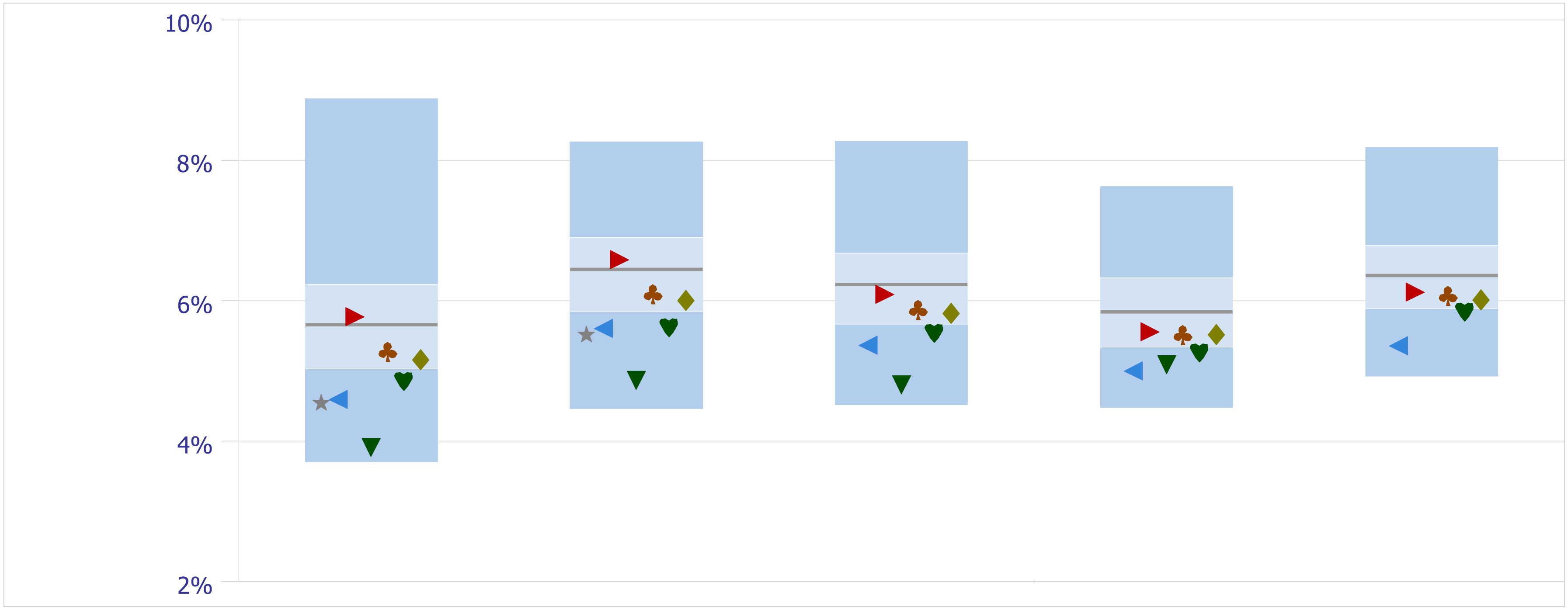
Beaver County Employees' Retirement Fund

Periods Ending June 30, 2007

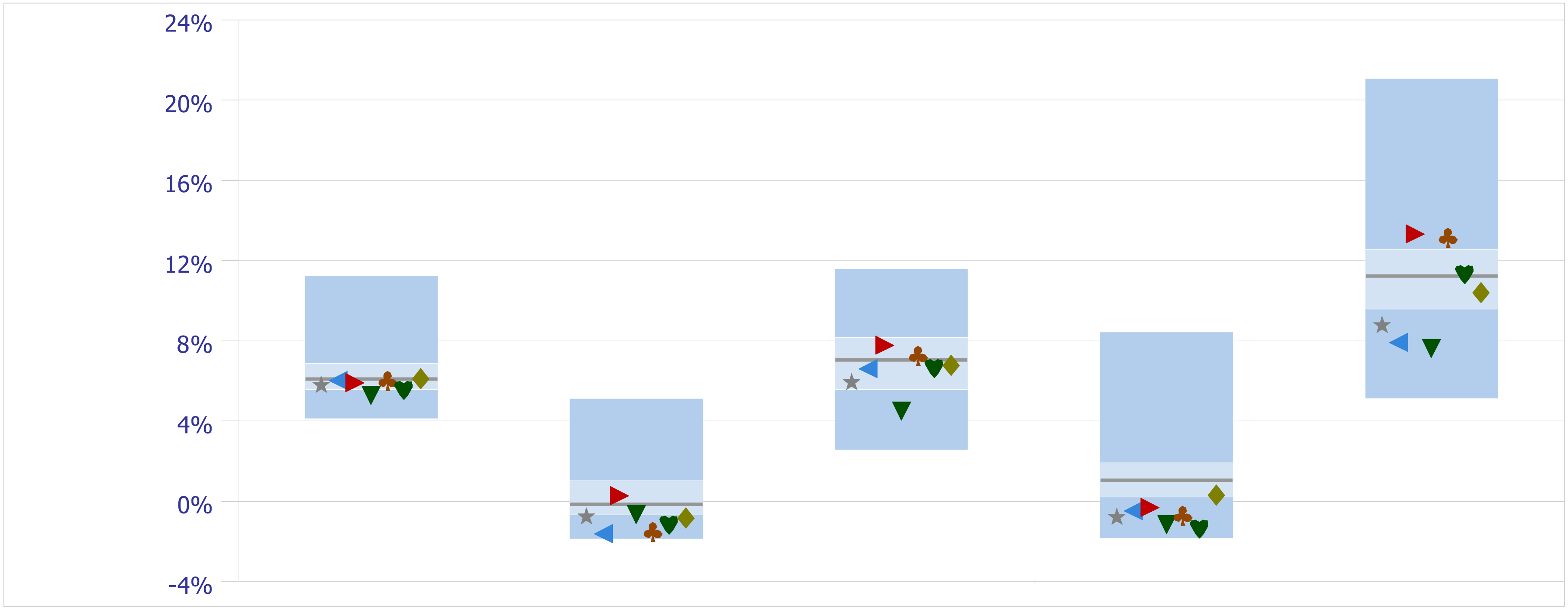
Bond Only
Rates of Return



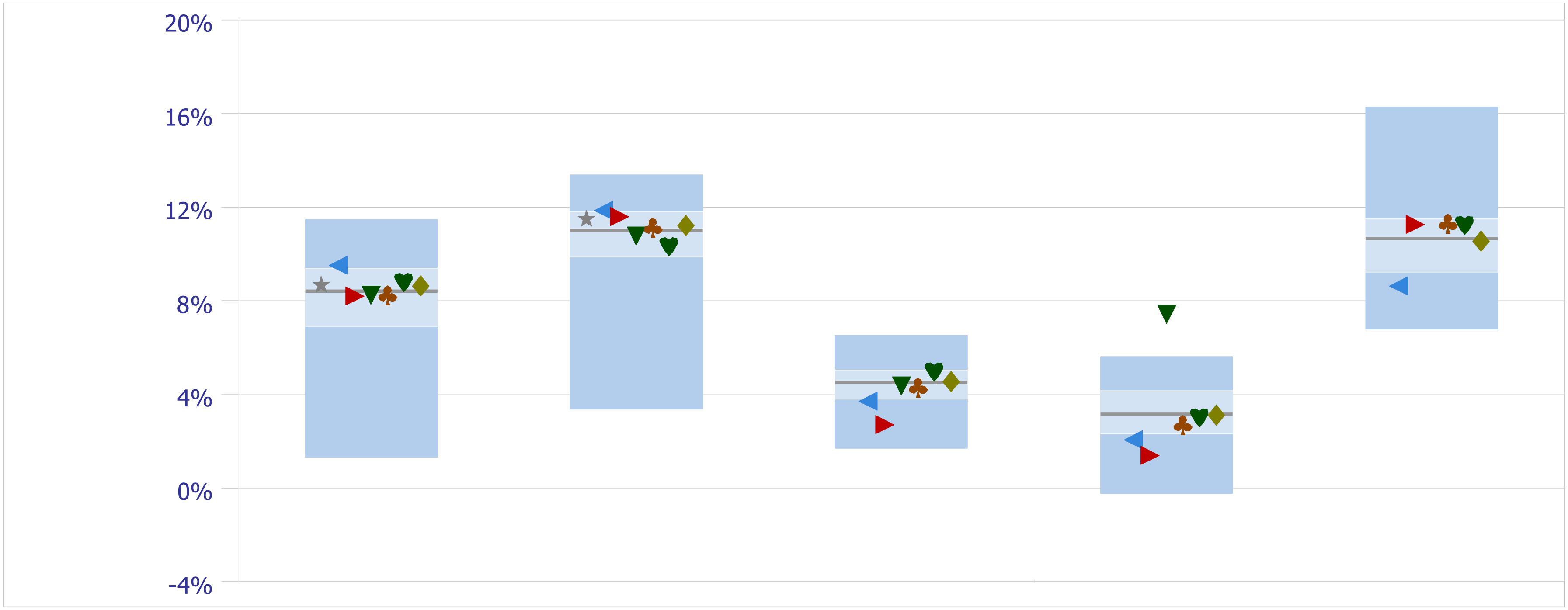
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ **TOTAL FUND**	-0.7	62	0.8	67	1.9	70	5.8	60	2.5	79	3.6	84	2.5	91	3.7	89
◀ **CIM INVEST MGT**	-0.6	59	1.0	59	2.0	69	6.0	52	2.2	86	3.6	84	2.6	89	3.6	90
▶ **C. S. MCKEE**	-0.7	63	0.7	68	2.3	57	5.9	56	3.1	44	4.6	29	3.4	55	5.3	32
▼ **MDL CAPITAL**	-0.6	55	0.6	75	1.6	78	5.3	82	2.3	84	3.0	95	2.0	96	3.1	95
♣ *LB GOVT/CREDIT*	-0.5	47	1.0	55	2.0	68	6.0	53	2.2	86	3.8	75	2.7	86	4.7	63
♥ *LB GOVT BOND*	-0.3	37	1.1	48	2.0	69	5.6	76	2.1	87	3.6	84	2.4	94	4.1	84
◆ *LB AGGREGATE*	-0.5	51	1.0	57	2.2	59	6.1	48	2.6	69	4.0	68	3.1	70	4.5	71
Median	-0.5		1.1		2.4		6.1		3.0		4.3		3.5		5.0	



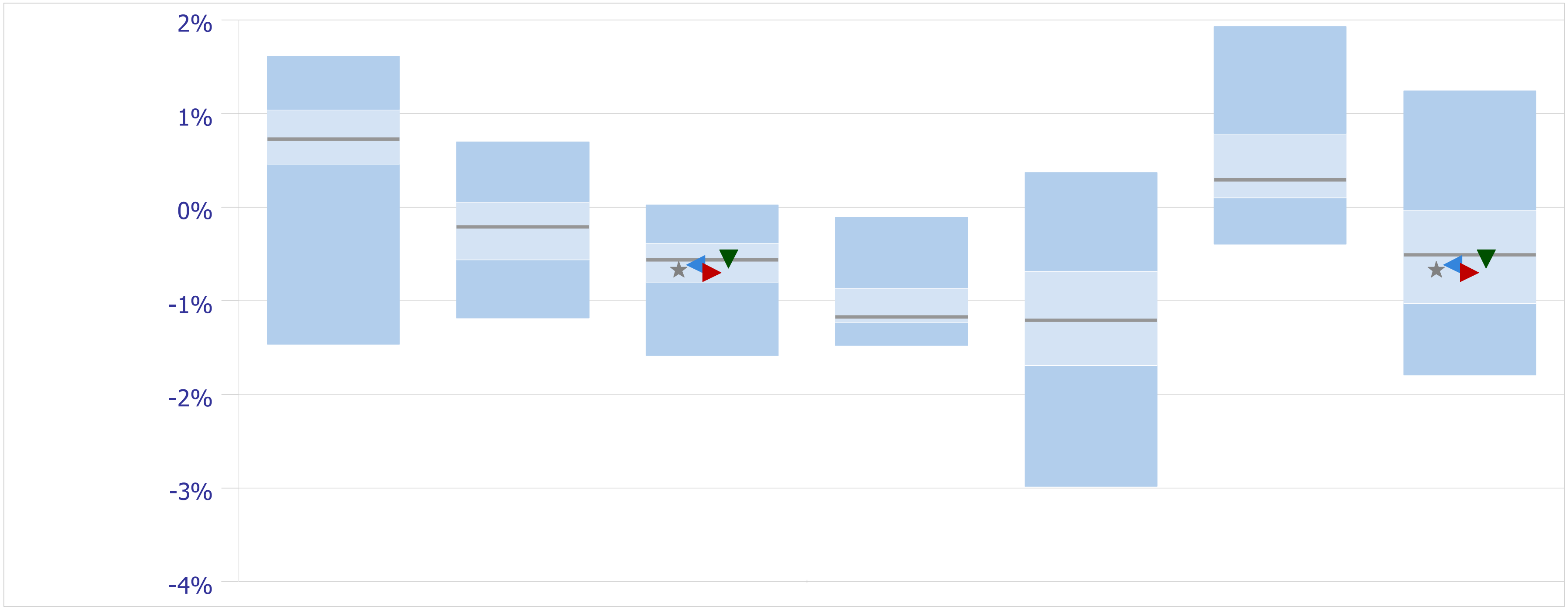
	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
★ **TOTAL FUND**	4.6	86	5.5	84						
◀ **CIM INVEST MGT**	4.6	86	5.6	82	5.4	83	5.0	86	5.4	89
▶ **C. S. MCKEE**	5.8	45	6.6	43	6.1	57	5.6	66	6.1	60
▼ **MDL CAPITAL**	3.9	93	4.9	91	4.8	93	5.1	84		
♣ *LB GOVT/CREDIT*	5.3	64	6.1	68	5.9	67	5.5	68	6.1	65
♥ *LB GOVT BOND*	4.9	80	5.6	81	5.5	78	5.3	78	5.9	76
♦ *LB AGGREGATE*	5.2	70	6.0	71	5.8	69	5.5	67	6.0	67
Median	5.7		6.5		6.2		5.8		6.4	



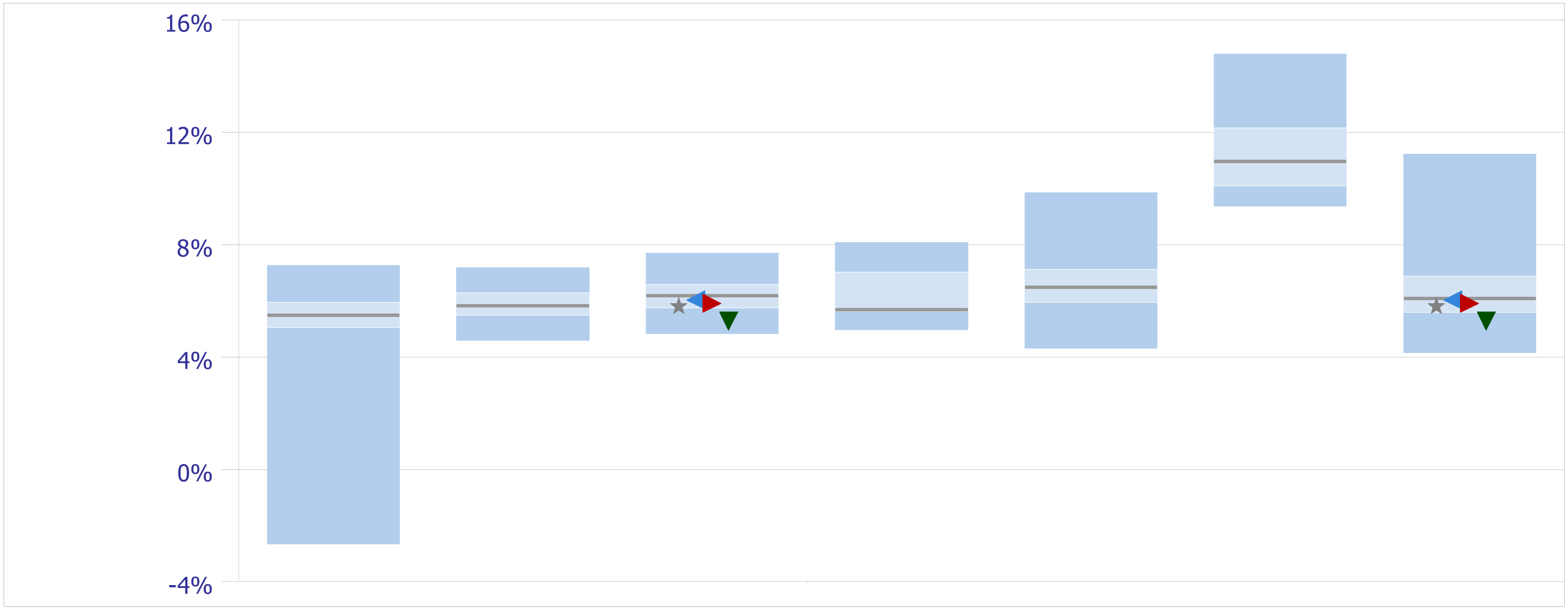
	June 2007		June 2006		June 2005		June 2004		June 2003	
★ **TOTAL FUND**	5.8	60	-0.7	77	6.0	71	-0.8	91	8.8	80
◀ **CIM INVEST MGT**	6.0	52	-1.6	93	6.6	62	-0.4	87	7.9	84
▶ **C. S. MCKEE**	5.9	56	0.3	37	7.8	35	-0.3	85	13.3	20
▼ **MDL CAPITAL**	5.3	82	-0.6	74	4.5	84	-1.1	93	7.6	85
♣ *LB GOVT/CREDIT*	6.0	53	-1.5	92	7.3	45	-0.7	90	13.1	21
♥ *LB GOVT BOND*	5.6	76	-1.2	89	6.6	62	-1.3	94	11.3	47
◆ *LB AGGREGATE*	6.1	48	-0.8	80	6.8	58	0.3	71	10.4	64
Median	6.1		-0.1		7.1		1.1		11.2	



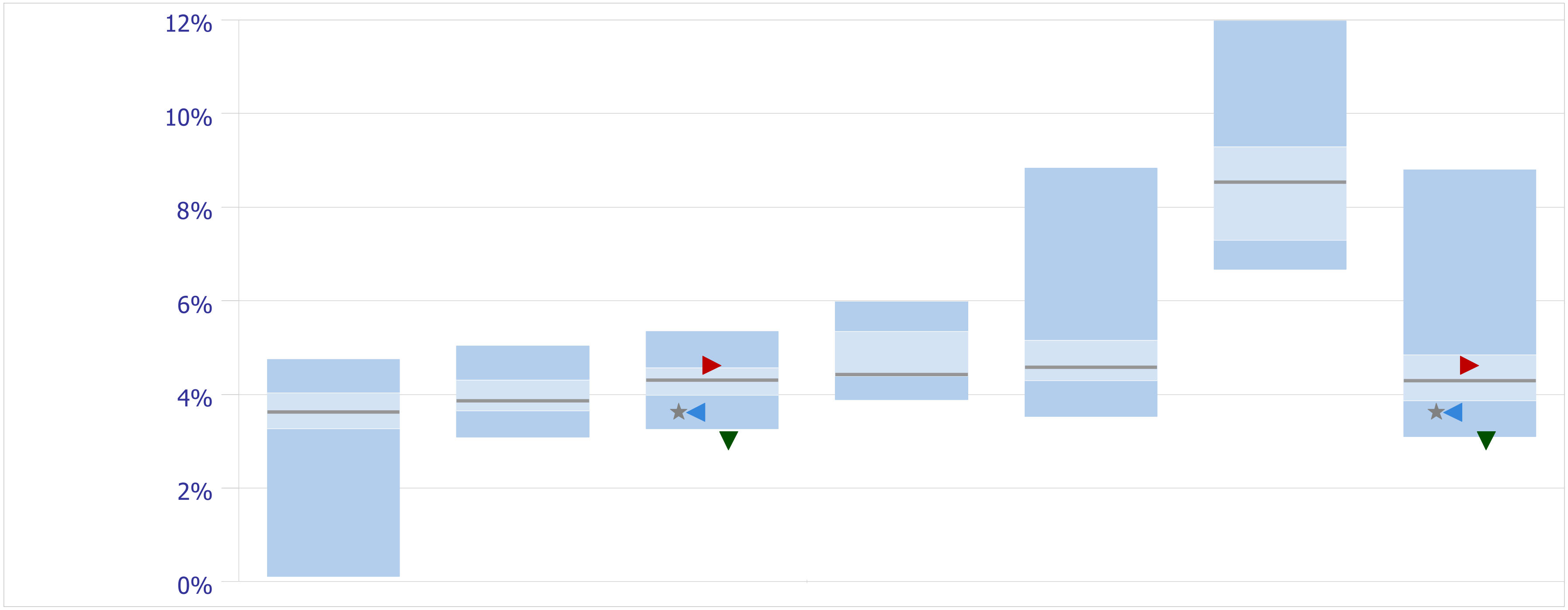
	June 2002		June 2001		June 2000		June 1999		June 1998	
★ **TOTAL FUND**	8.7	41	11.5	33						
◀ **CIM INVEST MGT**	9.5	22	11.9	23	3.7	76	2.1	80	8.6	82
▶ **C. S. MCKEE**	8.2	53	11.6	30	2.7	89	1.4	88	11.3	32
▼ **MDL CAPITAL**	8.2	53	10.8	60	4.4	57	7.4	2		
♣ *LB GOVT/CREDIT*	8.2	53	11.1	45	4.3	59	2.7	65	11.3	32
♥ *LB GOVT BOND*	8.8	38	10.3	70	5.0	27	3.0	53	11.3	33
◆ *LB AGGREGATE*	8.6	43	11.2	43	4.6	48	3.1	51	10.5	53
Median	8.4		11.0		4.5		3.2		10.7	



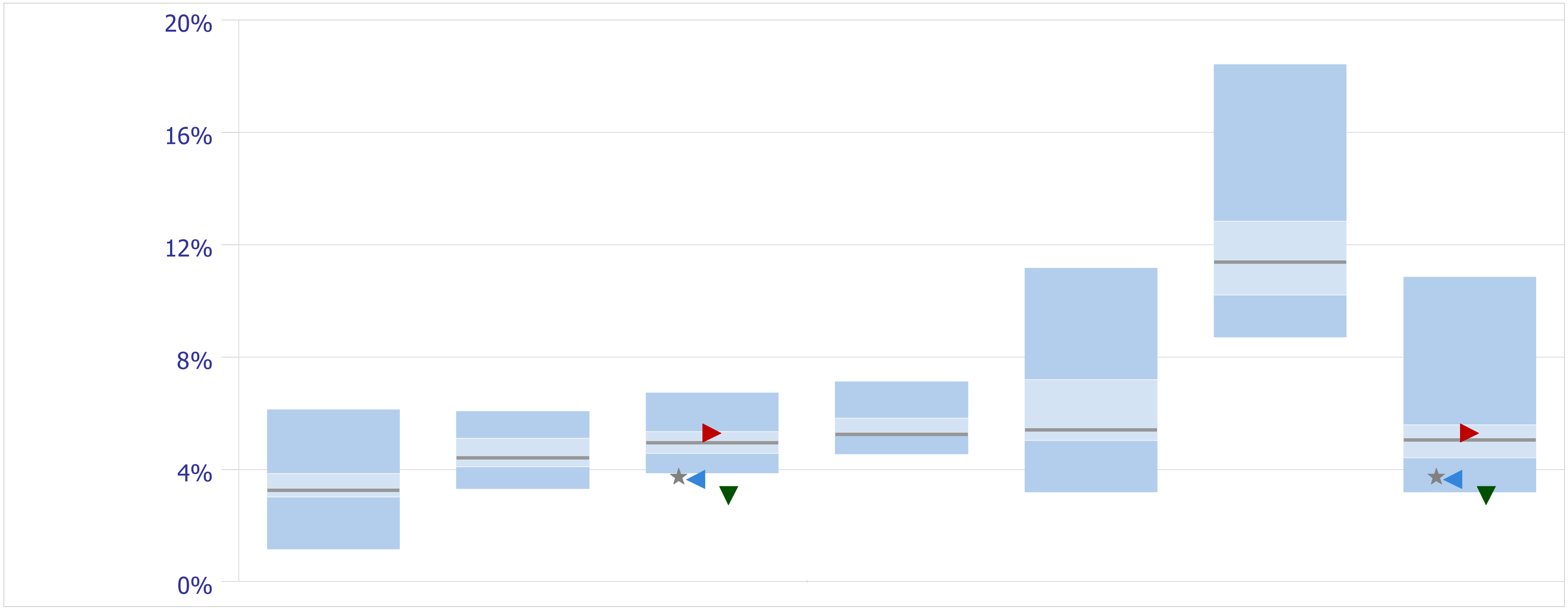
	Short	Inter-mediate	Core		Core Plus	Long	High Yield	Bond Univ	
★ TOTAL FUND			-0.7	63				-0.7	62
◀ CIM INVEST MGT			-0.6	58				-0.6	59
▶ C. S. MCKEE			-0.7	66				-0.7	63
▼ MDL CAPITAL			-0.6	49				-0.6	55
Median	0.7	-0.2	-0.6		-1.2	-1.2	0.3	-0.5	



	Short	Inter-mediate	Core		Core Plus	Long	High Yield	Bond Univ	
★ TOTAL FUND			5.8	71				5.8	60
◀ CIM INVEST MGT			6.0	58				6.0	52
▶ C. S. MCKEE			5.9	65				5.9	56
▼ MDL CAPITAL			5.3	89				5.3	82
Median	5.5	5.8	6.2		5.7	6.5	11.0	6.1	



	Short	Inter-mediate	Core	Core Plus	Long	High Yield	Bond Univ
★ **TOTAL FUND**			3.6 89				3.6 84
◀ **CIM INVEST MGT**			3.6 89				3.6 84
▶ **C. S. MCKEE**			4.6 21				4.6 29
▼ **MDL CAPITAL**			3.0 97				3.0 95
Median	3.6	3.9	4.3	4.4	4.6	8.5	4.3



	Short	Inter-mediate	Core		Core Plus	Long	High Yield	Bond Univ	
★ TOTAL FUND			3.7	95				3.7	89
◀ CIM INVEST MGT			3.6	95				3.6	90
▶ C. S. MCKEE			5.3	27				5.3	32
▼ MDL CAPITAL			3.1	98				3.1	95
Median	3.3	4.4	5.0		5.2	5.4	11.4	5.0	

Portfolio Characteristics

	Portfolio	LB AGGREGATE
Total Number of Securities	185	
Total Market Value	$ 66,970,440	
Current Coupon	4.93	5.40
Yield To Maturity	5.32	5.69
Average Life	6.85	7.27
Duration	4.36	4.70
Quality	9.44	9.59

Duration (in Years)

Range	%Held
0.0 to 1.0	11.7
1.0 to 3.0	14.9
3.0 to 4.0	9.8
4.0 to 6.0	31.9
6.0 to 8.0	16.0
Over 8.0	6.1
Unclassified	9.6

Quality

Range	%Held
Govt (10)	42.4
Aaa (10)	14.5
Aa (9)	5.3
A (8)	15.8
Baa (7)	2.7
Below Baa	0.0
Other	19.2

Yield to Maturity

Range	%Held
0.0 to 5.0	20.8
5.0 to 7.0	68.2
7.0 to 9.0	0.7
9.0 to 11.0	0.6
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	9.6

Average Life

Range	%Held
0.0 to 1.0	9.4
1.0 to 3.0	12.9
3.0 to 5.0	13.6
5.0 to 10.0	44.7
10.0 to 20.0	3.5
Over 20.0	5.3
Unclassified	10.6

Coupon

Range	%Held
0.0 to 5.0	44.8
5.0 to 7.0	49.2
7.0 to 9.0	5.8
9.0 to 11.0	0.2
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.0

Portfolio Characteristics

	Portfolio	LB GOVT/CREDIT
Total Number of Securities	56	
Total Market Value	$ 30,312,514	
Current Coupon	5.10	5.39
Yield To Maturity	5.35	5.47
Average Life	6.52	7.78
Duration	4.64	5.10
Quality	9.19	9.00

Duration (in Years)

Range	%Held
0.0 to 1.0	11.2
1.0 to 3.0	12.0
3.0 to 4.0	14.1
4.0 to 6.0	33.8
6.0 to 8.0	19.8
Over 8.0	6.0
Unclassified	3.2

Quality

Range	%Held
Govt (10)	42.3
Aaa (10)	11.5
Aa (9)	5.6
A (8)	27.0
Baa (7)	4.7
Below Baa	0.0
Other	9.0

Yield to Maturity

Range	%Held
0.0 to 5.0	17.8
5.0 to 7.0	79.0
7.0 to 9.0	0.0
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	3.2

Average Life

Range	%Held
0.0 to 1.0	11.2
1.0 to 3.0	9.9
3.0 to 5.0	14.7
5.0 to 10.0	53.4
10.0 to 20.0	3.4
Over 20.0	4.1
Unclassified	3.2

Coupon

Range	%Held
0.0 to 5.0	42.9
5.0 to 7.0	50.5
7.0 to 9.0	6.6
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.0

Portfolio Characteristics

	Portfolio	LB AGGREGATE
Total Number of Securities	87	
Total Market Value	$ 22,611,218	
Current Coupon	4.67	5.40
Yield To Maturity	5.19	5.69
Average Life	7.71	7.27
Duration	3.82	4.70
Quality	9.68	9.59

Duration (in Years)

Range	%Held
0.0 to 1.0	17.5
1.0 to 3.0	9.3
3.0 to 4.0	3.8
4.0 to 6.0	26.8
6.0 to 8.0	12.6
Over 8.0	6.3
Unclassified	23.6

Quality

Range	%Held
Govt (10)	39.6
Aaa (10)	6.8
Aa (9)	6.3
A (8)	4.0
Baa (7)	1.4
Below Baa	0.0
Other	42.0

Yield to Maturity

Range	%Held
0.0 to 5.0	16.8
5.0 to 7.0	55.6
7.0 to 9.0	2.1
9.0 to 11.0	1.8
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	23.6

Average Life

Range	%Held
0.0 to 1.0	10.5
1.0 to 3.0	6.9
3.0 to 5.0	13.3
5.0 to 10.0	30.5
10.0 to 20.0	5.8
Over 20.0	6.6
Unclassified	26.5

Coupon

Range	%Held
0.0 to 5.0	37.3
5.0 to 7.0	53.8
7.0 to 9.0	8.3
9.0 to 11.0	0.7
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.0

Portfolio Characteristics

	Portfolio	LB AGGREGATE
Total Number of Securities	47	
Total Market Value	$ 14,046,708	
Current Coupon	5.01	5.40
Yield To Maturity	5.40	5.69
Average Life	6.49	7.27
Duration	4.43	4.70
Quality	9.72	9.59

Duration (in Years)

Range	%Held
0.0 to 1.0	3.5
1.0 to 3.0	30.0
3.0 to 4.0	10.3
4.0 to 6.0	35.9
6.0 to 8.0	13.5
Over 8.0	5.9
Unclassified	1.0

Quality

Range	%Held
Govt (10)	47.2
Aaa (10)	33.7
Aa (9)	3.1
A (8)	10.8
Baa (7)	0.7
Below Baa	0.0
Other	4.4

Yield to Maturity

Range	%Held
0.0 to 5.0	33.9
5.0 to 7.0	65.2
7.0 to 9.0	0.0
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	1.0

Average Life

Range	%Held
0.0 to 1.0	3.5
1.0 to 3.0	29.0
3.0 to 5.0	11.9
5.0 to 10.0	48.7
10.0 to 20.0	0.0
Over 20.0	5.9
Unclassified	1.0

Coupon

Range	%Held
0.0 to 5.0	61.2
5.0 to 7.0	38.8
7.0 to 9.0	0.0
9.0 to 11.0	0.0
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	0.0

	Return	Beginning Duration	Ending Duration	Average Duration	Return Due to Market	Interest Rate Anticipation	Security Selection
Portfolio							
TOTAL FUND	-0.66	4.94	4.70	4.82	-0.57	0.05	-0.14
CIM INVEST MGT	-0.61	4.60	4.92	4.76	-0.55	-0.06	0.00
C. S. MCKEE	-0.69	4.50	4.34	4.42	-0.41	0.03	-0.32
MDL CAPITAL	-0.55	6.02	4.62	5.32	-0.77	0.28	-0.06
Benchmark							
LB GOVT/CREDIT	-0.48	5.12	5.10	5.11			
LB GOVT BOND	-0.33	4.49	4.48	4.48			
LB AGGREGATE	-0.52	4.50	4.70	4.59			
90 DAY T-BILLS	1.28	0.25	0.25	0.25			
Market Sensitivity	-0.40						

Return Due to Market = T-Bill Return * (Relative Market Sensitivity x (Average Duration - TBill Duration))
Rate Anticipation = Relative Market Sensitivity x Current Duration - Average Duration
Selection Effect = (Account Return - TBill Return) - (Relative Market Sensitivity x (Current Duration - TBill Duration))
Relative Market Sensitivity = (Benchmark Return - TBill Return) / (Benchmark Current Duration - TBill Duration)
Duration = Duration Option Adjusted

POLICY ACCOUNT: U26POLY TARGET POLICY

EFFECTIVE DATE: 09/99

45.00% LB GOVT/CREDIT	42.00% S&P 500	13.00% R 1000(R) VALUE

EFFECTIVE DATE: 01/00

42.00% S&P 500	34.00% LB GOVT/CREDIT	13.00% R 1000(R) VALUE
11.00% LB AGGREGATE		

EFFECTIVE DATE: 04/00

46.00% S&P 500	31.00% LB GOVT/CREDIT	14.00% R 1000(R) VALUE
9.00% LB AGGREGATE		

EFFECTIVE DATE: 01/02

35.00% S&P 500	30.00% LB GOVT/CREDIT	15.00% R 1000(R) VALUE
10.00% R 1000(R) GR	10.00% LB AGGREGATE	

EFFECTIVE DATE: 09/02

32.00% S&P 500	30.00% LB GOVT/CREDIT	15.00% R 3000(R) VAL
10.00% LB AGGREGATE	10.00% R 3000(R) GR	3.00% S&P SM CAP 600

EFFECTIVE DATE: 12/03

32.00% S&P 500	30.00% LB GOVT/CREDIT	25.00% R 3000(R)
10.00% LB AGGREGATE	3.00% S&P SM CAP 600	

EFFECTIVE DATE: 03/04

32.00% S&P 500	25.00% R 3000(R)	20.00% LB GOVT BOND
10.00% LB GOVT/CREDIT	10.00% LB AGGREGATE	3.00% S&P SM CAP 600

EFFECTIVE DATE: 03/06

22.50% S&P 500	20.50% R 3000(R)	16.50% LB GOVT/CREDIT
13.50% LB AGGREGATE	8.00% MS EAFE NET	8.00% LB GOVT BOND
8.00% R 1000(R) VALUE	3.00% S&P SM CAP 600	

EFFECTIVE DATE: 09/06

22.50% S&P 500	21.50% LB AGGREGATE	20.50% R 3000(R)
16.50% LB GOVT/CREDIT	8.00% R 1000(R) VALUE	8.00% MS EAFE NET
3.00% S&P SM CAP 600		

EFFECTIVE DATE: 03/07

22.00% S&P 500	19.50% LB AGGREGATE	19.50% R 3000(R)
15.50% LB GOVT/CREDIT	8.00% MS EAFE NET	7.50% R 1000(R) VALUE
6.00% NCREIF PROPERTY	2.00% S&P SM CAP 600	

PFM Advisors

PERFORMANCE EVALUATION AND REPORTING SERVICES
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The Boston Company Asset Management, LLC
MONEY MANAGER ALERT
August 6, 2007

EVENT
Remi Browne, portfolio manager of the Non-US Core Equity Fund, as well as five analysts, have resigned.

SUMMARY
On August 6, 2007, The Boston Company Asset Management, LLC (TBCAM) announced that Remi Browne resigned effective immediately. Munder Capital Management of Birmingham, MI, has hired Mr. Browne and several others to manage international equity from their new Boston, MA office. Five analysts as well as Daniel LeVan, manager of TBCAM's Non-US small cap portfolio will also join Munder. Management of the fund is now led by David Cameron, CIO. Mr. Cameron is supported by William Patzer, the sole member of Remi's team to stay. Mr. Patzer manages the TBCAM Global Core Equity strategy and is a healthcare analyst. Additional support is provided by John Truschel, Director of Portfolio Strategy and Maureen Ghublikian, portfolio strategist.

ASSESSMENT
The pullout of Mr. Browne and his equity analyst team is a significant loss to The Boston Company. The investment process used both quantitative and fundamental analysis. The modeling process will remain at TBCAM.

ACTION ITEM
Due to the loss of key personnel, the Investment Committee at PFM Advisors believes this latest development will adversely affect the ability of The Boston Company to manage its international equity portfolios. As such, we feel this fund should be considered for termination. Preliminarily, we think that assets should be considered for placement temporarily in an EAFE index fund or transitioned to Munder Capital when an investment vehicle is open. We will follow-up with you in the upcoming weeks to further discuss this matter.

We will continue to monitor this evolving personnel matter and as new information surfaces, our research and consulting staff will assess its relevance, communicate any developments, and provide prudent advice that is in your best interest. Should you have any specific question or wish to discuss this topic in more detail, please feel free to contact us at 215-567-6100.

Sincerely,

PFM Advisors
A division of PFM Asset Management LLC